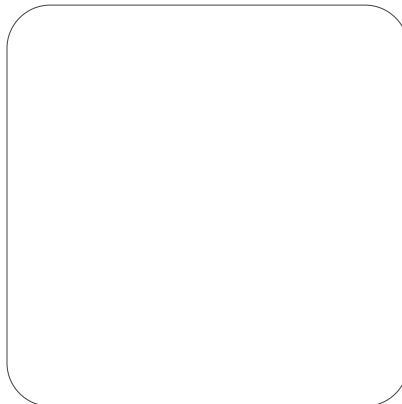


# 2020

## ANNUAL REPORT



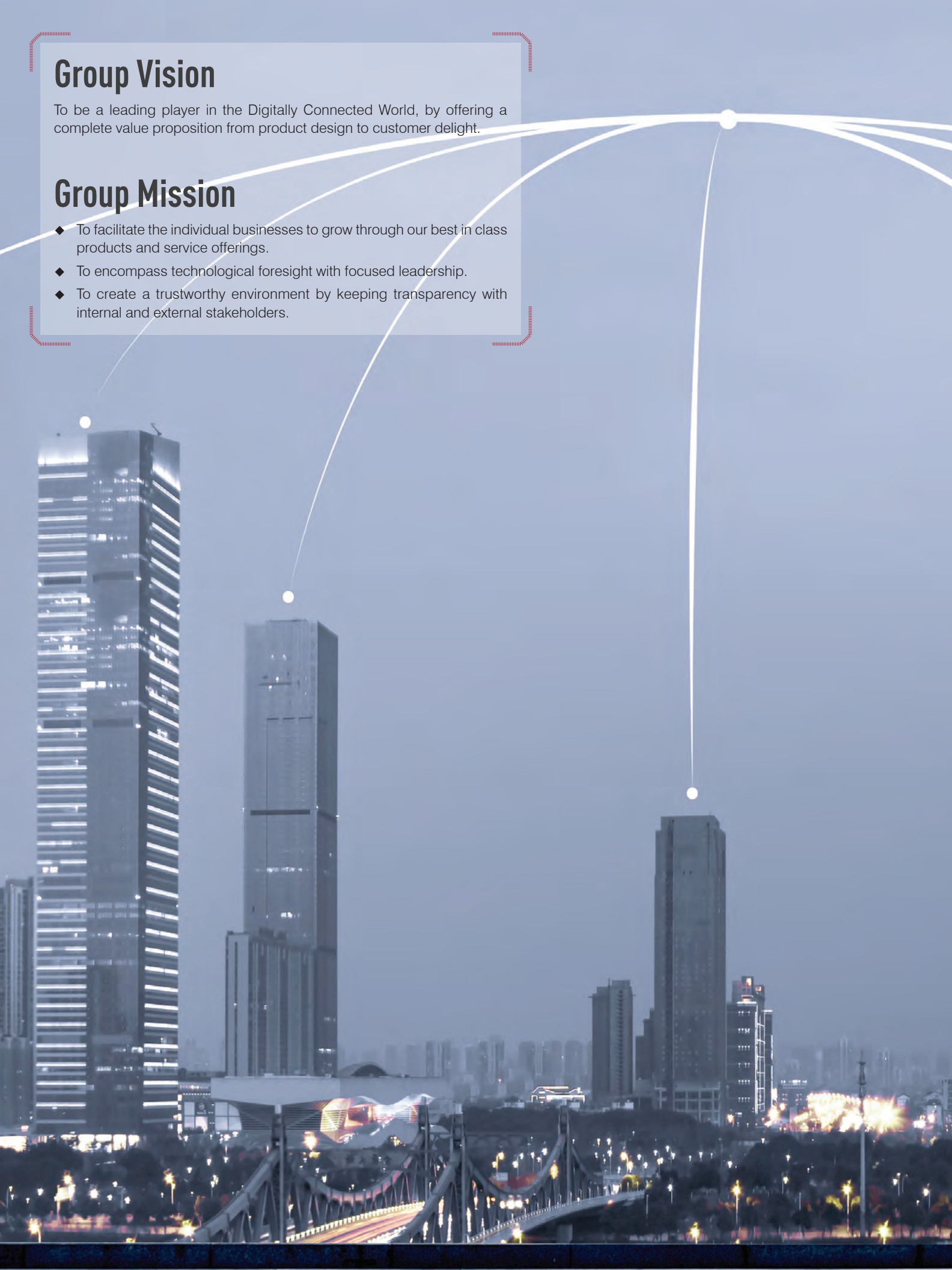
**SMARTLINK HOLDINGS LIMITED**  
(Formerly known as Smartlink Network Systems Limited)

# 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

## **Dear Shareholders,**

It is my privilege to present to you the annual report for the year ended 31<sup>st</sup> March 2020. You are aware that SMARTLINK HOLDINGS LTD. is an Investment company primarily having land and building and cash, as three years back we formed three independent companies by splitting its existing operations and investing ₹4,838 lakhs in subsidiaries.

DIGISOL SYSTEMS LTD. is a Brand Product sales and marketing company. It has introduced the DIGISOL brand “Covergex” to concentrate in the Enterprise products business. In the Active Products segment, we are now focused on FTTH products, and would be concentrating even further in future by manufacturing them in SYNEGRA EMS LTD.

*“I believe we are well positioned based on our ability to create customer loyalty by delivering value to our customers. Our decades of experience, a proven track record of delivery excellence and satisfied customers and our deep understanding of the Indian market should give us an edge.”*

=====

SYNEGRA EMS LTD. is an independent company and has entered into the manufacture of various products for customers in the Electric vehicle battery segment as well as newer technology Audio products. SYNEGRA is looking for more manufacturing opportunities in local electronic industry products in addition to the regular IT products. The Company is expected to derive significant benefit from the various incentives being introduced by Government of India under its MAKE IN INDIA and VOCAL FOR LOCAL programmes. SYNEGRA is also keeping a close eye on the various new opportunities in manufacturing likely to come up in the new technology space like FTTH products and 5G products.

TELESMART SCS LTD. which started manufacturing Structured Cabling Products in Copper and Fiber for DIGISOL SYSTEMS, is now manufacturing these products for other Brand companies in India and looking at exporting to other countries.

The Company completed one more buy-back during the year under review thereby rewarding the shareholders. The total outflow on account of the buy-back was ₹4,745 lakhs. The total cash and cash equivalents in the books stood at ₹16,234.13 lakhs for the year ended 31<sup>st</sup> March, 2020 as compared to ₹23,073.46 lakhs for the year ended 31<sup>st</sup> March, 2019.

The Total Income on standalone basis for the year stood at ₹1,519.71 lakhs as against ₹2,075.08 lakhs in the previous year. The

company, in line with prudent accounting norms has made necessary provision for diminution in value of its investments. This resulted in a loss of ₹1,343.48 lakhs for the year as compared to ₹2,830.70 lakhs in the previous year. On a consolidated basis, the Total Income for the year declined to ₹7,570.23 lakhs from ₹10,805.69 lakhs in the previous year, and the loss for the year stood at ₹1,471.61 lakhs as compared to ₹294.54 lakhs in the previous year.

The subsidiaries are now keenly looking at the opportunities and the manufacturing schemes offered by Government which is actively promoting its 'Make in India' initiative. I am sure that all the three companies being independent would be able to seek the right opportunities or find the right strategic partners so that SMARTLINK can offer its assets like its manufacturing facilities and cash for growth.

I am thankful to our clients, partners, and other stakeholders who have reposed their trust and confidence in me and SMARTLINK. We are committed to fully support all the three independent units as they gear up for growth and turn profitable. We will continuously strive to build a better tomorrow for all our stakeholders.

Thanking you,

Yours sincerely,

**K. R. Naik**

Executive Chairman



# Business Overview

## THE BUSINESS OF OUR SUBSIDIARIES

Smartlink Holdings Ltd. (formerly known as Smartlink Network Systems Ltd.) was in the Networking Products line business for more than three decades and involved in sourcing, manufacturing, sales, marketing & support, etc. The Company restructured its operations by splitting its operations in three independent subsidiaries, viz. Digisol Systems Ltd., Synegra EMS Ltd. and Telesmart SCS Ltd. to grow businesses independently by using its expertise of 3 decades.

Now, Smartlink Holdings Ltd. is an NBFC with assets & cash with investments which includes investment in the three subsidiary companies.

The three subsidiaries are engaged in businesses as follows:

1. Digisol Systems Ltd. is in Networking Products line Business in Active & Passive range of Products with Sales, Marketing, Service & Support all over India under "DIGISOL" Brand which is well known last 10 years.
2. Synegra EMS Ltd. is an IT and Electronic Products manufacturing EMS Company sourcing various types of electronic components and parts from India and world wide. It has more than 3 decades of experience in Active Networking Products line manufacturing. Its facilities include SMT lines, Soldering lines, Assembly and Testing lines with various Test Equipments at Verna Industrial Estate, Goa.
3. Telesmart SCS Ltd. is a Original Design and Manufacturing (ODM) Copper and Fiber Products, Networking Products Manufacturing Company having Association with one of the leading company in Taiwan in similar products line having more than two decades of experience and having its own patented products. It manufactures a wide range of Passive Networking Products in copper and fiber and has facilities that include Assembly and Testing lines with lot of Testing Machines 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.

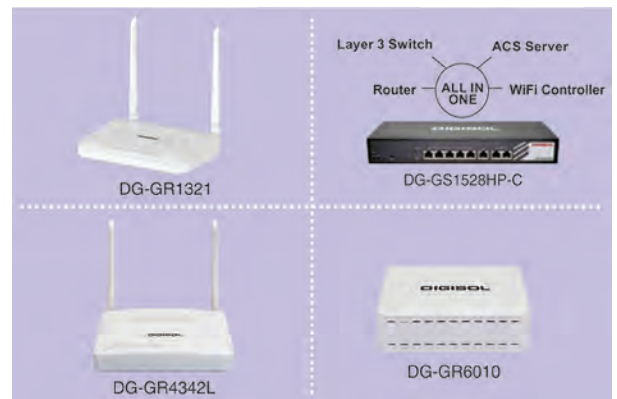
## DIGISOL SYSTEMS LTD.

The IT networking industry grows by leaps and bounds every year however, the one thing that stays comparatively constant is the brand. Due to the technology industry's accelerated evolution, brands take on increased importance by providing an effective counterbalance to what buyers perceive as constant change, clutter and confusion.

While we strive to push the boundaries with our marketing activities, we accord great importance to brand building which will ensure our long-term success. Our main focus has been to position DIGISOL as a leading 'Made in India' Networking Products brand that offers products of global standards, credibility and delivers a fantastic user experience.

### Active Networking Products

Digisol offers a wide range of Active Networking products and its portfolio encompasses many kinds of connectivity products using Copper or Fiber or wireless as media and across the IT networking spectrum. DIGISOL products incorporate world class quality and are backed by Synegra's and Telesmart's own manufacturing facility and a nationwide distribution network. They have call-based technical support backed by a strong in-house service team.



The company consistently works on introducing next gen wireless routers, networking switches and enterprise wireless products, full range of FTTH Products based on the changing needs of the market. These also include products manufactured by the Group's products manufacturing arm Synegra EMS.

Fiber holds immense opportunities and ensures future consistency with faster data speeds over limitless distances. Accordingly, in the year 2019-2020, Digisol launched a series of Next Gen FTTH active networking products which includes GEAPON, GPON, ONU, OLTs, Splitters, ODF, and Fibre Distribution Box.

DIGISOL's newly launched End to End FTTH solution provides high speed Internet, triple play service, Wi-Fi, voice and video services for home-connected users. Our technology and expertise ensure that consumers get wider bandwidth, faster data speed, and better connectivity.

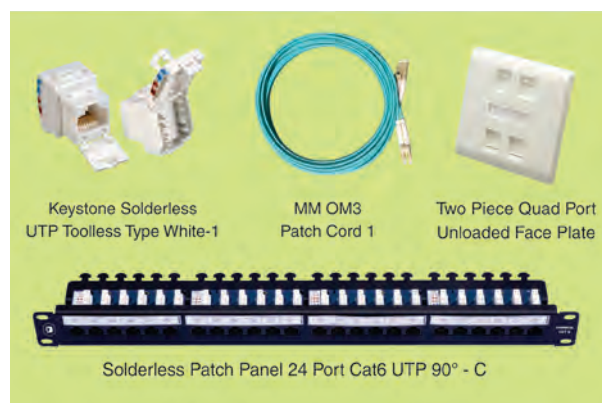


### Digisol Enterprise SCS – “ConvergeX” DIGISOL range

Technology is constantly changing and so are business needs. With large connectivity sites coming up like SMART CITY with high speed and high quality products a new range is introduced in Enterprise “ConvergeX DIGISOL with POE connectivity, the contacts are with 50 microns Gold Plating, solder-less contacts joints to avoid rusting on long term use. The name Digisol ConvergeX refers to the term ‘Converge’ that stands for a single network that unifies and carries a combination of data, voice and video traffic, while X stands for the Xtreme speed. ConvergeX enterprise structured cabling series aims to enhance the way enterprises work and unlocks opportunities for the future.

### Digisol Channel SCS range

The range of DIGISOL Passive Networking products includes Copper, Fiber and FTTH solutions. All DIGISOL SCS Products adhere to EIA/TIA, ISO/IEC and UL international standards. RoHS compliant products are backed by 25 years international product warranty performance. With its strong presence in SMB & Enterprise segments, DIGISOL works closely with regional and national system integrators for enhanced presence in large scale projects.



DIGISOL's Structured Cabling Systems fulfil the network connectivity needs of medium to small businesses and home networks. 100% of its products are manufactured in India by Telesmart SCS Ltd and Cables are sourced from Cable vendors manufactured as per our standard and certified by U/L.

### Brand Building: The key to DIGISOL's success

Brand building has always been accorded top priority at Digisol. While it is important to provide finest quality products of the latest technology, the manner in which the consumer perceives the brand is equally important, especially from the long-term perspective.

Digisol will continue to invest in educating the channel community, system integrators and large base of Electrician / Installers who interact with the end consumers and play a strong role in building the brand. The company introduced DITT- Digisol Institution of Technical Training program

that focus on educating Partners and System Integrators community about forthcoming technologies in IT Networking Industry. In FY 19-20 we trained almost 900+ partners and introduced multiple training modules under DITT to build thought leadership.

Digisol believes in encouraging stakeholders by introducing various promotion schemes and loyalty programs. To gain shares in electrician and contractors market, the company introduced Digisol Cash Karo loyalty program through a Digisol Cash Karo App that aims to build relationship with electricians and empower them by giving opportunity to win reward points on purchasing Digisol Structured cabling products and redeem these points into cash rewards. In short time Digisol Cash Karo App reached 1 lakh+ App Downloaded and still counting, it is helping Digisol to maximize our channel market Company's brand building efforts include participation in the leading industry events, trade shows and expos and in-shop branding. In addition to traditional advertising in India, Digisol is more active on Digital space with having engaging website [www.digisol.com](http://www.digisol.com) and has presence on important social media platforms like Facebook, LinkedIn, Instagram and Twitter with strong content marketing.

Our unique distribution system comprises of exclusive regional distributors to address the Channel and Enterprise segments. This ensures extensive reach and easy availability of all our products and solutions throughout the country.

### DIGISOL has a strong nationwide presence



### DIGISOL's Unique Distribution Setup



### DIGISOL AWARDS AND RECOGNITIONS

The DIGISOL brand received several notable awards during the year:

- 'Most Innovative Networking Solutions for Enterprise' Digital Terminal Awards, 2019.

### SYNEGRA EMS LTD.

Synegra EMS Ltd is Electronics Manufacturing Services (EMS) Company. SYNEGRA being a service Company with 3 decades of experience in manufacturing Varities types of Products. Its certified facilities at Goa includes SMT lines, Soldering lines, Assembly Testing Lines and highly skilled team for electronics manufacturing including components sourcing.



The Company has been manufacturing products like Computer Motherboards, Add on Cards, Networking & Telecommunication Products, Medical devices etc. for over three decades. It has also widened the focus into Automotive and Defence segment products, EVA Products and is anticipating high growth with its manufacturing capacity for both export and domestic markets under Make in India initiative of Government of India.

### Synegra Manufacturing Facility Highlights



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

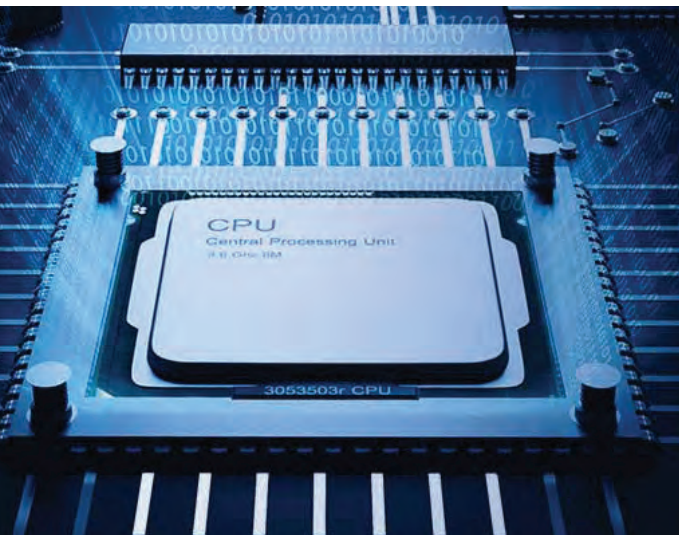


BAR code shop floor control system for flawless process engineering



Highly skilled and well-trained personnel to consistently deliver

**GAME CHANGING  
WORLD CLASS PRODUCTS  
FOR SYSTEM INTEGRATORS.**



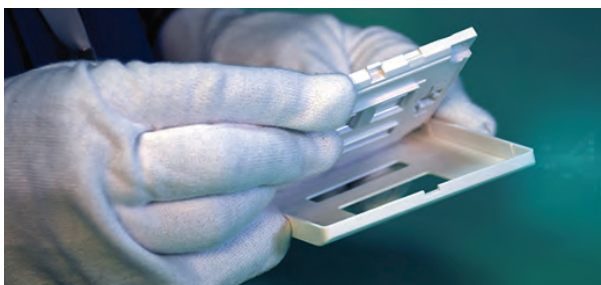


## TELESMART SCS LTD.

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 Company has expertise in manufacturing various types of structured cabling products in both copper and fiber range as ODM supplier Brand Companies including DIGISOL.



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 products 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 31<sup>st</sup> 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. He 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, Executive Director**

Arati Naik is an Executive Director of Smartlink. 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 34 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 42 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 33 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 23 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.