

August 17, 2022

To,
The Manager
The Corporate Relationship Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

To,
The Manager - Corporate Compliance
National Stock Exchange of India Limited
"Exchange Plaza", Bandra - Kurla
Complex, Bandra (E),
Mumbai - 400 051

Scrip Code: BSE: 532419

NSE: SMARTLINK

Sub: Outcome of the Board Meeting

Dear Sir/Madam,

We wish to inform you that the Board of Directors of the Company at its meeting held today i.e., on Wednesday, August 17, 2022, inter alia, has considered and approved the Scheme of Amalgamation ("Scheme") (pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013) of Telesmart SCS Limited ('Telesmart'), subsidiary company of Smartlink Holdings Limited ('Smartlink') with Digisol Systems Limited ('Digisol'), wholly owned subsidiary of Smartlink, subject to the requisite statutory and regulatory approvals.

The required information pursuant to Regulation 30 of Listing Regulations is enclosed herewith as Annexure A.

Kindly take note of the same and acknowledge the receipt.

Thanking you,

Yours faithfully,

For **SMARTLINK HOLDINGS LIMITED**

URJITA DAMLE
COMPANY SECRETARY

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

Corporate Office : 215 Atrium, 2nd Floor, B-Wing, Courtyard Marriott Compound, Andheri-Kurla Road, Andheri (E), Mumbai - 400 093, INDIA
Land Phone : +91 22 4938 6666

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, GA, 403722, IN | Land Phone : +91 832 2885400 | Fax : +91 832 2783395
www.smartlinkholdings.com

The information required under Regulation 30 of Listing Regulations is as under:

1. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.:

Transferor Company: Telesmart SCS Limited (the “**Transferor Company**”) is an unlisted public limited company incorporated in accordance with the provisions of the Companies Act, 2013, having its registered office at L-5, V.I.E, Verna Industrial Estate, Verna, Salcette, South Goa, Goa 403722 India; Subsidiary Company of Smartlink.

Transferee Company: Digisol Systems Limited (the “**Transferee Company**”) is an unlisted public limited company incorporated in accordance with the provisions of the Companies Act, 2013, having its registered office at Plot No. L-7, Verna Industrial Estate, Verna, Salcette, South Goa, Goa 403722 India; Wholly owned subsidiary Company of Smartlink.

The Transferor Company has total asset size of INR 309.54 lakhs, Negative Net Worth of INR 79.12 lakhs and Revenue from operations of INR 583.33 lakhs as on March 31, 2022. The Transferee Company has total asset size of INR 3,689.58 lakhs, Net Worth of INR 2,107.59 lakhs and Revenue from operations of INR 6,618.46 lakhs as on March 31, 2022.

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”:

The Transferor Company is a subsidiary and transferee Company is a wholly owned subsidiary company of Smartlink Holdings Limited and as such related party to each other.

The Proposed Transaction is at arm's length basis. The share exchange ratio has been determined based on valuation report issued by the independent valuer.

Further, Ministry of Corporate Affairs has clarified vide its General Circular No. 30/ 2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.

3. Area of business of the entity(ies):

The Transferor Company is engaged in the business of manufacturing wide range of passive networking (SCS) products and manufacturing of copper and fiber range of cabling products.

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The Transferee Company is a brand product company that caters to sales, marketing, service and support of the 'Digisol' brand of active and passive (structured cabling) products and solutions.

4. Rationale for amalgamation/ merger:

With a view to consolidate group entities, the Board of Directors of Telesmart SCS Limited and Digisol Systems Limited have proposed to merge Telesmart and Digisol, which would derive the following benefits for the stakeholders:

Benefits of amalgamation:

- a) The amalgamation will enable consolidation of the business and operations of Telesmart and Digisol which will provide significant impetus to growth by permitting pooling of resources, enable synergies, reduce operational costs, achieve economies of scale, increase operational efficiencies and greater focus and provide expansion opportunities in a consolidated and compliant manner.
- b) The amalgamation will enable optimum utilization of various resources to the amalgamated company (i.e. Digisol).
- c) The proposed amalgamation will lead to a reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by Telesmart and Digisol and also avoid duplication of administrative functions and eliminate multiple record-keeping.

5. In case of cash consideration – amount or otherwise share exchange ratio

Upon the Scheme coming into effect and upon the entire business including the assets and liabilities of Telesmart being transferred to and vested in Digisol,

- Digisol shall without any further application or deed, issue, allot and credit as fully paid-up, 19,59,857 (Nineteen Lakh Fifty-Nine Thousand Eight Hundred Fifty-Seven only) Equity Shares of Re.1/- (Rupee One only) each fully paid up of Digisol, for 28,80,000 (Twenty-Eight Lakh Eighty Thousand only) Equity Shares of Rs.10/- (Rupees Ten only) each fully paid up and held in Telesmart ("New Equity Shares"), by Smartlink Holdings Limited; and
- Pay cash consideration of INR 8.41 per share to shareholders, other than Smartlink Holdings Limited.

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The share exchange ratio for the proposed merger of Telesmart with Digisol as on March 31 2022, should be 24,49,821 equity shares of Digisol of INR 1/- each fully paid up for 36,00,000 equity shares of Telesmart of INR 10/- each fully paid up. (Swap Ratio is (Digisol: Telesmart) - 0.68:1.00).

6. Brief details of change in shareholding pattern (if any) of listed entity:

There will be no change in the shareholding pattern of the Company, pursuant to the Scheme involving subsidiary and wholly owned subsidiary of the Company.

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