

May 30, 2016

The Secretary
BSE Limited
P J Towers
Dalal Street
Mumbai 400 001

The Secretary
The National Stock Exchange of India Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

**Sub: Submission of Letter of Offer for the Buyback of 7,454,850 equity shares of
INR 2/- each ("Share") of Smartlink Network Systems Limited ("Company")
at price of INR 110/- per Share under tender offer route ("Buyback")**

This is to inform you that Smartlink Network Systems Limited has completed dispatch of the Letter of Offer along with the Tender Forms to all Shareholders of the Company as on the record date (i.e. April 29, 2016) through registered post/speed post on May 30, 2016.

The Letter of Offer is attached for your records and reference.

Yours Sincerely,

For **Smartlink Network Systems Limited**



Urjita Damle
Company Secretary


Smartlink Network Systems Ltd.

REGD. OFFICE: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403 722. India. • Tel.: +91 832 2885400 • Fax: +91 832 2783395
www.smartlink.co.in

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



This Letter of Offer is sent to you as a registered Equity Shareholder of **Smartlink Network Systems Limited** (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer (Kotak Mahindra Capital Company Limited) or the Registrar to the Buyback Offer (Karvy Computershare Private Limited). Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.

<p style="text-align: center;">Smartlink Network Systems Limited Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 Corporate Identification Number (CIN): L30007GA1993PLC001341 Telephone: 0832-2885400; Fax: 0832-2783395; Contact Person: Ms. Urjita Damle, Company Secretary Email: Company.Secretary@smartlink.co.in Website: www.smartlink.co.in</p>	 <p style="font-style: italic;">Smart Solutions for a Smarter Planet</p>
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CASH OFFER TO BUYBACK NOT EXCEEDING 7,454,850 FULLY PAID-UP EQUITY SHARES OF FACE VALUE Rs.2/-EACH, REPRESENTING 24.85% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. 29th APRIL, 2016, ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” ROUTE AT A PRICE OF Rs. 110/- (RUPEES ONE HUNDRED AND TEN ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF Rs.820,033,500/- (RUPEES EIGHTY TWO CRORES THIRTY THREE THOUSAND AND FIVE HUNDRED ONLY)

- 1) The Buyback is in accordance with Article 62 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, National Stock Exchange of India, Reserve Bank of India, etc.
- 2) The Buyback Offer Size is 24.85% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company.
- 3) This Letter of Offer is sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. April 29, 2016.
- 4) The procedure for tender and settlement is set out in paragraph 24 of this Letter of Offer. The tender form (“Tender Form”) is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 24 (20) of Letter of Offer.
- 6) A copy of the Public Announcement issued on April 20, 2016 and this Letter of Offer (including Tender Form) is available on the website of Securities and Exchange Board of India - <http://www.sebi.gov.in>
- 7) Equity Shareholders are advised to refer to paragraph 20 (Details of Statutory Approvals) and paragraph 25 (Note on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: MONDAY, JUNE 06, 2016
BUYBACK CLOSES ON: FRIDAY, JUNE 17, 2016
LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR AND TRANSFER AGENT: TUESDAY, JUNE 21, 2016

MANAGER TO THE BUYBACK	REGISTRAR TO THE BUYBACK
 <p>Kotak Mahindra Capital Company Limited 27BKC, 1st floor, Plot no. C-27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 4336 0000 Fax: +91 22 6713 2447 Email: project.smartbuyback@kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration Number: INM000008704 CIN:U67120MH1995PLC134050</p>	 <p>Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot number 31 & 32 Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel: +91 40 6716 2222 Fax:+91 40 2343 1551 Email: murali.m@karvy.com Contact Person : Mr. M. Muralikrishna SEBI Registration Number INR000000221 CIN:U72400TG2003PTC041636</p>

The Offer is pursuant to SEBI (Buy Back of Securities) Regulations, 1998 and subsequent amendments as well as in accordance with provisions of Section 68 and all other applicable provisions, if any, of the Companies Act, 2013

INDEX

Section	Particulars	Page No.
1.	SCHEDULE OF ACTIVITIES	3
2.	KEY DEFINITIONS	4
3.	DISCLAIMER CLAUSE	6
4.	DETAILS OF RESOLUTIONS PASSED AT THE BOARD MEETINGS	8
5.	DETAILS OF PUBLIC ANNOUNCEMENT	11
6.	DETAILS OF THE BUYBACK OFFER	11
7.	AUTHORITY FOR THE BUYBACK	12
8.	NECESSITY FOR BUYBACK	13
9.	MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK	13
10.	MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES	13
11.	MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY	14
12.	BASIS OF CALCULATING BUYBACK PRICE	20
13.	SOURCES OF FUNDS	21
14.	DETAILS OF ESCROW ACCOUNT AND AMOUNT TO BE DEPOSITED THEREIN	21
15.	FIRM FINANCING ARRANGEMENTS	21
16.	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN	22
17.	BRIEF INFORMATION ABOUT THE COMPANY	23
18.	FINANCIAL INFORMATION	25
19.	STOCK MARKET DATA	26
20.	STATUTORY APPROVALS	27
21.	REGISTRAR TO THE BUYBACK	27
22.	COLLECTION CENTRES	28
23.	PROCESS AND METHODOLOGY FOR THE BUYBACK	28
24.	PROCEDURE FOR TENDERING SHARES AND SETTLEMENT	31
25.	NOTE ON TAXATION	36
26.	DECLARATION BY THE BOARD OF DIRECTORS	38
27.	AUDITOR'S CERTIFICATE	39
28.	MATERIAL DOCUMENTS FOR INSPECTION	40
29.	INVESTOR SERVICE CENTER AND COMPLIANCE OFFICER	41
30.	REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS	41
31.	MANAGER TO THE BUYBACK	41
32.	DIRECTORS' RESPONSIBILITY STATEMENT	42

1. SCHEDULE OF ACTIVITIES

Activity	Schedule of activities	
	Date	Day
Date of Board Meeting approving the proposal for the Buyback	February 29, 2016	Monday
Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buyback Offer	April 14, 2016	Thursday
Public Announcement of Buyback	April 20, 2016	Wednesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	April 29, 2016	Friday
Buyback Opens on	June 06, 2016	Monday
Buyback Closes on	June 17, 2016	Friday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	June 21, 2016	Tuesday
Last date of verification by Registrar	June 24, 2016	Friday
Last date of providing Acceptance to the Stock Exchange by the Registrar	June 24, 2016	Friday
Last date of settlement of bids on the Stock Exchange	June 27, 2016	Monday
Last date of dispatch of share certificate(s) by RTA / return of unaccepted demat shares by Stock Exchange to Selling Member	June 27, 2016	Monday
Last Date of Extinguishment of Shares	July 04, 2016	Monday

2. KEY DEFINITIONS

Acceptance Form	Tender Form
Act	The Companies Act, 2013, as amended
Articles	Articles of Association of the Company
Board	Board of Directors of the Company
Board Meeting	Meeting of Board of Directors of Smartlink Network Systems Limited held on February 29, 2016
Bank	Kotak Mahindra Bank Limited
BSE	BSE Limited
Buy-back Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
Buyback Committee	Buyback committee comprising of Mr. K. M. Gaonkar, Director; Mr. Pankaj Baliga, Director; Mr. K. G. Prabhu, Chief Financial Officer; and Ms. Urjita Damle, Company Secretary of the Company, constituted on February 29, 2016
Buyback / Buyback Offer	Offer to buyback 7,454,850 Equity Shares of Rs. 2/- each of Smartlink Network Systems Limited at a price of Rs. 110/- per Equity Share in accordance with the regulations and relevant provisions of the Act via the tender offer route
Buyback Price / Offer Price	Price at which shares will be bought back from the shareholders i.e. Rs. 110/- per Equity Share
Buyback Size / Offer Size	Number of Equity Shares proposed to be bought back multiplied by the Buyback Price i.e. Rs. 820,033,500/-
Closing Date	June 17, 2016
Company	Smartlink Network Systems Limited
Companies Act	The Companies Act, 2013, as amended
DP	Depository Participant
Equity Share(s) / Share(s)	The Company's fully paid-up equity share(s) of face value of Rs. 2/- (Rupees Two) each
Equity Shareholder(s)/ Shareholder(s) / Members	Holders of the Equity Shares of the Company
Eligible Person(s)/ Eligible Shareholder(s)	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders/ beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. April 29, 2016 and excludes Person(s) who do not have the capacity under applicable law to tender shares.
Escrow Account	Escrow account opened in accordance with Buy-back Regulations, in the name of 'Smartlink Network Systems Limited Buyback - Escrow Account' bearing the account number 0411734198
Escrow Agent	Kotak Mahindra Bank Limited
Escrow Agreement	The escrow agreement entered into between the Company, the Manager to the Offer and Kotak Mahindra Bank Limited
FEMA	Foreign Exchange and Management Act, 1999
General Category	Eligible Shareholders other than the Small Shareholders
IT Act	Income-tax Act, 1961, as amended
LOF/Letter of Offer	Letter of Offer dated May 24, 2016
Management Rules	The Companies (Management and Administration) Rules, 2014
Manager to the Buyback/Offer	Kotak Mahindra Capital Company Limited
Minimum Public Shareholding Requirement	Requirement to maintain 25% public shareholding in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957

NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period/Tendering Period	Period of ten working days from the date of opening of the Buyback Offer i.e. June 06, 2016 till its closure i.e. June 17, 2016 (both days inclusive)
Opening Date	June 06, 2016
PA/ Public Announcement	Public announcement regarding the Buyback dated April 20, 2016 issued in English language in Financial Express (English – all editions), Financial Express (Gujarati – Ahmedabad edition), Times of India (English – Goa edition), Jansatta (Hindi– All editions), Navshakti (Marathi – Mumbai edition) and Pudhari (Marathi – Goa edition)
PAN	Permanent Account Number
Postal Ballot Notice	Postal Ballot Notice dated February 29, 2016 to the Shareholders
RBI	Reserve Bank Of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buy-back Regulations. This date shall be April 29, 2016
Registrar to the Buyback/Offer	Karvy Computershare Private Limited
Reserved Category	The Small Shareholders eligible to tender Shares in the Buyback
SEBI	The Securities and Exchange Board of India
Seller Member / Seller Broker	A Stock broker (who is a member of the NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Equity Shareholder, who holds Equity Shares of market value not more than Rs. 200,000/- (Rupees Two Lacs Only), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. April 29, 2016
Share Capital Rules	Companies (Share Capital and Debentures) Rules, 2014
Shareholders	Holders of Equity Shares and includes beneficial owners thereof
Stock Exchanges	National Stock Exchange of India Limited together with BSE Limited
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buy-back Regulations
TRS	Transaction Registration Slip

3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to the SEBI.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed/ construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, Kotak Mahindra Capital Company Limited certifies that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Companies Act and the Buy-back Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Kotak Mahindra Capital Company Limited has furnished to SEBI a Due Diligence Certificate dated April 25, 2016 in accordance with Buy-Back Regulations, which reads as follows:

“We have examined various documents and material papers relevant to the Buyback, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback.
- All legal requirements connected with the said offer including SEBI (Buy-Back of Securities) Regulations, 1998, have been duly complied with.
- The disclosures in the Public Announcement and Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the Buyback.
- Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”

The filing of the Letter of Offer with SEBI, does not however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters/ directors of the Company declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed/ withheld and/or amounts to a mis-statement/misrepresentation, the promoters/directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buy-back Regulations.

Promoters/directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons in term of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries

This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Offer to any new or additional requirements or registrations. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions.

4. DETAILS OF RESOLUTIONS PASSED AT THE BOARD MEETINGS

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on February 29, 2016. The extracts of the Board resolution are as follows:

“RESOLVED THAT in accordance with Article 62 of the Articles of Association of the Company, Sections 68, 69, 179 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**), the Companies (Share Capital and Debentures) Rules, 2014, and the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (**“Buy-back Regulations”**) (including any statutory modification(s) or re-enactment of these provisions, for the time being in force) and such other approvals, permissions and sanctions as may be necessary and further subject to the shareholder approval, the consent of the Board of Directors of the Company be and is hereby accorded to the buy-back by the Company of its own fully paid equity shares of Rs.2/- each (**“Equity Share”**) not exceeding, 74,54,850 Equity Shares, through the **“Tender Offer”** route prescribed under the Buy-back Regulations and the Act, at a price of Rs. 110/- (Rupees Hundred and Ten only) per Equity Share (hereinafter referred to as the **“Buyback Offer Price”**), payable in cash for an aggregate amount of Rs. 82,00,33,500/- (Rupees Eighty Two Crores Thirty Three Thousand Five Hundred only), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. (being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest audited balance sheet as on March 31, 2015), (hereinafter referred to as the **“Buyback Offer Size”**) from the shareholders of the Company on a proportionate basis (hereinafter referred to as the **“Buyback”**);

RESOLVED FURTHER THAT the Company shall implement the Buyback from out of its securities premium account and other free reserves.

RESOLVED FURTHER THAT as required by Regulation 6 of the Buy-back Regulations, the Company shall buy back Equity Shares from the shareholders on a proportionate basis under the Tender Offer, provided 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of small shareholders as on Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buy-back Regulations.

RESOLVED FURTHER THAT the Buy-back from non-resident shareholders, Overseas Corporate Bodies (OCB's) Foreign Institutional Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any.

RESOLVED FURTHER THAT the Buy-back, to the extent permissible under law and subject to all applicable legal provisions, be implemented using the stock exchange mechanism notified by SEBI vide circular CIR/ CFD/POLICY CELL/1/2015 dated April 13, 2015.

RESOLVED FURTHER THAT nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board of Directors to buyback any shares and/or impair any power of the Company or the Board of Directors to terminate any process in relation to such Buyback if so permissible by law.

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT as required under the provision to Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, the Declaration of Solvency along with annexures thereof be and is hereby approved for filing with the Registrar of Companies, Goa and Securities and Exchange Board of India after having it verified by an affidavit and signed by any two of the following Directors namely Mr. K. R. Naik, Ms. Arati Naik, Mr. K. M. Gaonkar and Mr. Pankaj Baliga, who are hereby authorized to sign the same.

RESOLVED FURTHER THAT a Buyback Committee comprising of Mr. K. M. Gaonkar, Director, Mr. Pankaj Baliga, Director, Mr. K. G. Prabhu, Chief Financial Officer and Ms. Urjita Damle, Company Secretary of the Company be and is hereby constituted and the powers of the Board in respect of Buyback be delegated to the Committee

("Buyback Committee") and each member of the Buyback Committee is hereby severally authorized to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the buy back, including, but not limited to, the following:

1. Finalizing the terms of the Buyback like the record date, entitlement ratio, the time frame for completion of the Buyback
2. the appointment and finalization of the bankers, solicitors, escrow agents, brokers, registrars, lawyers, depository participants, advertising agencies and other advisors/ consultants/intermediaries/ agencies, as may be required, for the implementation of the Buyback;
3. The initiating of all necessary actions for preparation of postal ballot notice along with explanatory statement and seek shareholder approval for the Buy-back
4. The initiating of all necessary actions for preparation and issue of Public Announcement, Letter of Offer and related documents
5. The filing of Public Announcement, the Draft Letter of Offer/ Letter of Offer and related documents with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities and also the certificate for Declaration of Solvency
6. Making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder
7. Dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICY CELL/1/2015 dated April 13, 2015.
8. Obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
9. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback
10. Entering into escrow arrangements as required in terms of the Buy-Back Regulations;
11. Opening, operation and closure of all necessary accounts including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing the persons to operate the said accounts;
12. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back
13. To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares
14. Extinguishment of share certificates and Certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board
15. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper

RESOLVED FURTHER THAT the Buy-back Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any director/ officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation / sub-delegation of authority from time to time.

RESOLVED FURTHER THAT the quorum for a meeting of the Buy-back Committee shall be presence of any two members and Buy-back Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT Ms. Urjita Damle, Company Secretary of the Company shall act as a Secretary to the Buy-back Committee.

RESOLVED FURTHER THAT the Buy-back Committee do report from time to time to the Board at the meeting of the Board, status/progress of actions taken by the Buy-back Committee concerning buyback and the minutes of meeting(s) of the Buy-back Committee held in the intervening period of two successive meetings of the Board shall be put up at the subsequent meeting of the Board.

RESOLVED FURTHER THAT in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations 1998, Kotak Mahindra Capital Company Limited be appointed as Merchant Banker for the proposed buyback transaction.

RESOLVED FURTHER THAT the Company must open an Escrow Account with Kotak Mahindra Bank, a scheduled commercial bank for a sum of Rs. 20,50,08,375/- (Rupees Twenty Crores Fifty Lakhs Eight Thousand Three Hundred and Seventy Five only) being 25% of the Buyback Offer Size placed in the said Escrow Account by way of a deposit before the release of the Public Announcement in compliance with the requirements of the Buy-back Regulations.

RESOLVED FURTHER THAT the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion –

1. That immediately following the date of Board Meeting held 29th February, 2016, there will be no grounds on which the Company could be found unable to pay its debts.
2. That as regards the Company's prospects for the year immediately following that date and of the board meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared, approving the buyback and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date
3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities)

RESOLVED FURTHER THAT the Board hereby confirms:

- a) That all the equity shares for Buyback are fully paid-up;
- b) That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buyback;
- c) That the Company, as per provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- d) That the Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- e) That there are no defaults subsisting in the repayment of Deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- f) That funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
- g) That the aggregate amount of the Buyback i.e. Rs. 82,00,33,500/- (Rupees Eighty Two Crores Thirty Three Thousand Five Hundred only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2015;
- h) That the maximum number of shares proposed to be purchased under the Buyback i.e. 74,54,850 Equity Shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2015;
- i) That the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

RESOLVED FURTHER THAT as required by sub-section 6 of section 68 of the Act, a Declaration of Solvency duly signed and verified by any two of Mr. K. R. Naik, Ms. Arati Naik, Mr. K. M. Gaonkar, or Mr. Pankaj Baliga be filed with the Registrar of Companies and with the Securities and Exchange Board of India, subject to compliance with the provision of the said section.

RESOLVED FURTHER THAT Mr. K. R. Naik, Executive Chairman and Ms. Arati Naik, Whole Time Director be and are hereby authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the Registrar of Companies and with the Securities and Exchange Board of India."

5. DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated April 20, 2016 was made in the following newspapers, in accordance with Regulation 8(1) of the Buy-back Regulations, within two working days from the date of passing the resolution by the shareholders of the Company approving the Buyback through Postal Ballot, the results of which were declared on April 14, 2016:

Publication	Language	Editions
Financial Express	English	All editions
Financial Express	Gujarati	Ahmedabad edition
Times of India	English	Goa edition
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai edition
Pudhari	Marathi	Goa edition

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6. DETAILS OF THE BUYBACK OFFER

1. Smartlink Network Systems Limited has announced the Buyback of up to 7,454,850 Equity Shares aggregating up to 24.85% of the fully paid up equity share capital of the Company at a price of Rs. 110/- (Rupees One Hundred and Ten only) per Equity Share payable in cash for an amount aggregating up to Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only) (being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest standalone audited balance sheet as on March 31, 2015) from the Shareholders of the Company on a proportionate basis through a tender offer.
2. The Buyback is in accordance with Article 62 of the Articles of Association, the provision of the Companies Act and, the Share Capital Rules, the Management Rules and in compliance with the Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchanges where the Equity Shares of the Company are listed.
3. The Board at its meeting held on February 29, 2016 approved the proposal for the Buyback. The Board at its meeting also approved the Postal Ballot Notice dated February 29, 2016, to the Shareholders of the Company to seek their approval for the Buyback, by a special resolution. The Shareholders of the Company approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 62 of the Articles of Association of the Company and in accordance with provisions of the Companies Act, the Share Capital Rules, the Management Rules and the Buy-back Regulations, by way of a special resolution, through the postal ballot, the results of which were announced on April 14, 2016.
4. The Buyback Price per Equity Share and the Buyback Size do not include transaction costs including brokerage costs, securities transaction taxes, service tax, and stamp duty. The Buyback is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India, and the stock exchanges on which the Equity Shares are listed, namely, NSE and BSE.
5. The Buyback shall be undertaken on a proportionate basis from the Eligible Shareholders as of April 29, 2016 through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-Back Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICY CELL/1/2015 dated April 13, 2015.

6. In terms of the Buy-back Regulations, under tender offer route, the promoter and promoter group have the option to participate in the Buyback. In this regard, promoter and promoter group have informed the Company vide their letter dated 29th February, 2016 regarding their intention to participate in the Buyback. The extent of their participation in the Buyback has been detailed in clause 11.4 of this announcement.
7. The Buyback Offer price of Rs. 110/- (Rupees One Hundred and Ten only) per Equity Share represents (i) a premium of 14.7% and 16.8% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and (ii) a premium of 33.9% and 35.3% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
8. The aggregate paid-up share capital and free reserves of the Company as on March 31, 2015 was Rs. 406.69 crores and under the provisions of the Companies Act, the funds deployed for Buyback shall not exceed 25% of the paid-up capital and free reserves of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilized in the present Buyback is Rs. 101.67 crores. The aggregate amount proposed to be utilised for the Buyback is Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only), which is within the maximum amount as aforesaid.
9. Further, under the Companies Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 7,501,212 equity shares being 25% of 30,004,850 equity shares of face value of Rs. 2/- each. Since the Company proposes to buyback up to 7,454,850 equity shares, the same is within the aforesaid 25% limit.
10. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoter and promoter group in the Company may increase over the existing 74.49% holding in the total equity capital and voting rights of the Company. The promoter and promoter group of the Company are already in control over the Company and therefore such further increase in voting rights of the promoter group will not result in any change in control over the Company. The promoter and promoter group have undertaken that in case there is an increase in voting rights of the promoter and promoter group beyond 75%, necessary steps will be taken to reduce the shareholding of the promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding Requirement. The Company and the promoter and promoter group have undertaken to comply with the Minimum Public Shareholding Requirements even after the Buyback. Further, the promoter and promoter group confirm that they have not voted in favour of the board resolution and the shareholder resolution authorizing the Buyback under sections 68, 69 and 70 of the Companies Act.

7. AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with Article 62 of the Articles of Association, the provisions of the Companies Act, the Share Capital Rules, the Management Rules and in compliance with the Buy-back Regulations.

The Board at its meeting dated 29th February, 2016, passed a resolution approving the Buyback of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, through a Postal Ballot Notice dated 29th February, 2016. The Shareholders of the Company approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 62 of the Articles of Association of the Company and in accordance with provisions of the Companies Act,

the Share Capital Rules, the Management Rules and the Buy-back Regulations, by way of a special resolution, through the postal ballot, the results of which were announced on 14th April, 2016.

8. NECESSITY FOR BUYBACK

Buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the Shareholders holding equity shares of the Company. The Board at its meeting held on February 29, 2016, considered the increase in accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ending March 31, 2015 and considering these, the Board decided to allocate a sum of Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only) for distributing to the Shareholders holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the Shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 7,454,850 (Seventy Four Lacs Fifty Four Thousand Eight Hundred and Fifty only) equity shares (representing 24.85% of the total number of equity shares in the paid-up Equity Share capital of the Company) at a price of Rs. 110/- (Rupees One Hundred and Ten only) per Equity Share for an aggregate consideration of Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only). Buyback is a more efficient form of distributing surplus cash to the Shareholders holding Equity Shares of the Company, inter-alia, for the following reasons:

1. The Buyback will help the Company to distribute surplus cash to its Shareholders holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Shareholders;
2. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
3. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
4. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment;
5. The Buyback Offer price of Rs.110/- (Rupees One Hundred and Ten only) per Equity Share represents (i) a premium of 14.7% and 16.8% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and (ii) a premium of 33.9% and 35.3% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

9. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required under the Buyback shall aggregate up to Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only), the total amount being less than 25.00% of the aggregate of fully paid-up Equity Share capital and free reserves of the Company for the financial year ended March 31, 2015.

10. MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES

The Equity Shares are proposed to be bought back for a price of Rs. 110/- (Rupees Hundred and Ten only) per Equity Share.

11. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

1. The Buyback is not likely to cause any impact on the profitability/earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. In the event that there is 100% acceptance of the Equity Shares tendered in the Buyback from Shareholders on a proportionate basis, the funds deployed by the Company towards the Buyback would be Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
2. The Buyback is not expected to impact growth opportunities for the Company.
3. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
4. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
5. In terms of the Buy-back Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoter and promoter group above have expressed their intention vide their letter dated 29th February 2016, to participate in the Buyback and offer up to an aggregate maximum of 7,454,850 Equity Shares as mentioned below or any such lower number of shares as required in compliance with the Buy-back Regulations/terms of the Buyback.

Details of the date and price of acquisition of the Equity Shares that promoters intend to tender are set-out below:

KAMALAKSHA RAMA NAIK				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
31.03.1993	500	1,000	2.0	Cash
09.01.1995	500,000	1,000,000	2.0	Cash
22.05.1995	2,369,200	4,738,400	2.0	Cash
04.02.1999	250,000	500,000	2.0	Cash
13.03.1999	250,000	500,000	2.0	Cash
11.02.2000	1,750,000	3,500,000	2.0	Cash
22.09.2000	500	1,000	2.0	Cash
11.03.2003	37,800	75,600	52.4	Open Market
12.03.2003	55,231	110,462	54.6	Open Market
13.03.2003	26,920	53,840	53.7	Open Market
17.03.2003	16,025	32,050	52.4	Open Market
19.03.2003	19,027	38,054	53.2	Open Market
20.03.2003	5,950	11,900	53.1	Open Market
28.03.2003	1,200	2,400	53.0	Open Market
12.09.2003	42,142	84,284	94.8	Open Market
15.09.2003	136,258	272,516	93.2	Open Market
18.08.2004	14,240	28,480	104.7	Open Market
07.07.2009	7,634,698	15,269,396	NIL	Demerger
21.01.2010	90,486	180,972	51.9	Open Market
22.01.2010	39,514	79,028	50.8	Open Market
27.01.2010	70,000	140,000	49.5	Open Market
14.05.2010	137,000	274,000	50.0	Open Market
18.05.2010	6,249	12,498	48.4	Open Market
19.05.2010	23,000	46,000	48.3	Open Market
20.05.2010	6,701	13,402	48.7	Open Market
24.05.2010	13,269	26,538	48.8	Open Market
25.05.2010	5,332	10,664	46.4	Open Market

KAMALAKSHA RAMA NAIK				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
31.05.2010	4,000	8,000	48.8	Open Market
01.06.2010	12,597	25,194	48.4	Open Market
03.06.2010	8,000	16,000	48.7	Open Market
04.06.2010	87,600	175,200	49.1	Open Market
07.06.2010	107,000	214,000	49.1	Open Market
08.06.2010	66,000	132,000	49.0	Open Market
09.06.2010	53,400	106,800	48.9	Open Market
15.06.2010	2,772	5,544	49.8	Open Market
22.06.2010	1,734	3,468	52.0	Open Market
23.06.2010	88,750	177,500	54.6	Open Market
24.06.2010	84,224	168,448	54.8	Open Market
25.06.2010	81,051	162,102	54.6	Open Market
29.06.2010	67,964	135,928	53.2	Open Market
30.06.2010	4,720	9,440	51.4	Open Market
29.07.2010	2,276	4,552	51.3	Open Market
30.07.2010	14,825	29,650	51.1	Open Market
02.08.2010	9,690	19,380	51.2	Open Market
03.08.2010	3,000	6,000	51.2	Open Market
04.08.2010	1,204	2,408	51.2	Open Market
05.08.2010	5,510	11,020	51.1	Open Market
06.08.2010	53,691	107,382	51.8	Open Market
09.08.2010	100	200	52.0	Open Market
10.08.2010	3,462	6,924	52.1	Open Market
11.08.2010	40,167	80,334	51.6	Open Market
12.08.2010	36,495	72,990	51.2	Open Market
13.08.2010	1,215	2,430	51.2	Open Market
02.09.2010	20,064	40,128	61.5	Open Market
03.09.2010	29,124	58,248	61.5	Open Market
06.09.2010	5,704	11,408	64.5	Open Market
07.09.2010	32,316	64,632	64.3	Open Market
08.09.2010	10,544	21,088	64.5	Open Market
16.09.2010	12,117	24,234	74.3	Open Market
17.09.2010	3,799	7,598	74.1	Open Market
27.09.2010	1,818	3,636	74.2	Open Market
20.12.2011	6,175	12,350	48.0	Open Market
21.12.2011	18,504	37,008	48.6	Open Market
22.12.2011	2,582	5,164	49.8	Open Market
23.12.2011	7,720	15,440	50.8	Open Market
26.12.2011	193,950	387,900	51.7	Open Market
28.12.2011	605,760	1,211,520	53.0	Open Market
29.12.2011	353,007	706,014	52.8	Open Market
04.12.2012	14,120	28,240	52.3	Open Market
15.12.2012	1,500	3,000	49.0	Transfer of Shares
28.12.2012	1,500	3,000	49.0	Transfer of Shares
Total	15,662,993			
Maximum Equity Shares intended to be tendered			Up to 5,224,262	

* Adjusted for stock split

ARATI KAMALAKSHA NAIK				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
09.01.1995	100,000	200,000	2.0	Cash
22.05.1995	425,000	850,000	2.0	Cash
11.02.2000	300,000	600,000	2.0	Cash
02.04.2003	40,000	80,000	NIL	Gift
07.07.2009	1,206,214	2,412,428	NIL	Demerger
10.06.2010	14,762	29,524	49.6	Open Market
11.06.2010	7,252	14,504	49.2	Open Market
22.06.2010	6,722	13,444	52.2	Open Market
24.06.2010	50	100	54.8	Open Market
29.07.2010	340	680	51.2	Open Market
21.12.2011	10,000	20,000	48.7	Open Market
22.12.2011	3,983	7,966	49.7	Open Market
23.12.2011	1,505	3,010	50.9	Open Market
26.12.2011	139,994	279,988	51.6	Open Market
27.12.2011	25,000	50,000	52.8	Open Market
28.12.2011	121,800	243,600	52.2	Open Market
25.06.2012	475	950	45.2	Open Market
26.06.2012	3,217	6,434	48.0	Open Market
27.06.2012	23,885	47,770	49.1	Open Market
06.08.2012	5,204	10,408	47.3	Open Market
13.08.2012	6,977	13,954	48.0	Open Market
16.08.2012	6,445	12,890	49.4	Open Market
30.08.2012	10,000	20,000	49.2	Open Market
31.08.2012	22,201	44,402	49.9	Open Market
05.09.2012	9,496	18,992	49.9	Open Market
06.09.2012	2,923	5,846	50.0	Open Market
07.09.2012	3,213	6,426	49.9	Open Market
08.09.2012	8,100	16,200	50.2	Open Market
10.09.2012	4,463	8,926	50.0	Open Market
11.09.2012	7,508	15,016	50.2	Open Market
12.09.2012	1,242	2,484	50.0	Open Market
13.09.2012	2,754	5,508	50.2	Open Market
14.09.2012	8,512	17,024	49.9	Open Market
17.09.2012	88	176	50.7	Open Market
18.09.2012	11,020	22,040	51.5	Open Market
27.09.2012	7,583	15,166	51.6	Open Market
28.09.2012	3,372	6,744	51.5	Open Market
21.11.2012	2,829	5,658	51.6	Open Market
22.11.2012	10,100	20,200	51.4	Open Market
23.11.2012	3,381	6,762	51.4	Open Market
26.11.2012	6,885	13,770	51.8	Open Market
27.11.2012	13,363	26,726	52.3	Open Market
29.11.2012	1,557	3,114	52.0	Open Market
30.11.2012	2,258	4,516	52.3	Open Market
03.12.2012	7,751	15,502	52.2	Open Market
04.12.2012	27,341	54,682	52.3	Open Market
05.12.2012	4,729	9,458	52.3	Open Market

ARATI KAMALAKSHA NAIK				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
06.12.2012	1,013	2,026	52.2	Open Market
17.12.2012	4,845	9,690	52.7	Open Market
21.12.2012	8,260	16,520	52.3	Open Market
24.12.2012	11,959	23,918	52.8	Open Market
27.12.2012	11,742	23,484	54.4	Open Market
28.12.2012	17,084	34,168	53.9	Open Market
31.12.2012	158,335	316,670	57.5	Open Market
07.02.2013	11,208	22,416	55.2	Open Market
08.02.2013	1,546	3,092	54.9	Open Market
11.02.2013	2,575	5,150	55.0	Open Market
13.02.2013	6,973	13,946	54.5	Open Market
14.02.2013	4,945	9,890	54.8	Open Market
15.02.2013	16,955	33,910	54.9	Open Market
18.02.2013	5,403	10,806	54.9	Open Market
19.02.2013	3,494	6,988	54.9	Open Market
20.02.2013	653	1,306	55.0	Open Market
21.02.2013	2,468	4,936	55.7	Open Market
22.02.2013	4,495	8,990	55.8	Open Market
26.02.2013	3,182	6,364	55.6	Open Market
27.02.2013	2,430	4,860	56.6	Open Market
28.02.2013	4,384	8,768	56.1	Open Market
01.03.2013	4,017	8,034	56.5	Open Market
04.03.2013	8,180	16,360	56.3	Open Market
05.03.2013	2,370	4,740	56.2	Open Market
06.03.2013	2,050	4,100	56.6	Open Market
07.03.2013	2,387	4,774	56.8	Open Market
08.03.2013	4,897	9,794	56.5	Open Market
11.03.2013	7,411	14,822	56.6	Open Market
12.03.2013	227	454	57.2	Open Market
13.03.2013	57,315	114,630	59.7	Open Market
14.03.2013	3,952	7,904	59.4	Open Market
15.03.2013	5,279	10,558	58.4	Open Market
Total	3,013,528			
Maximum Equity Shares intended to be tendered			Up to 1,005,137	

* Adjusted for stock split

LAKSHANA AMIT SHARMA				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
09.01.1995	287,500	575,000	2.0	Cash
22.05.1995	212,500	425,000	2.0	Cash
11.03.1997	312,300	624,600	2.0	Share Transfer
17.04.2002	(25,000)	(50,000)	102.0	Open Market
18.04.2002	(10,500)	(21,000)	100.5	Open Market
25.04.2002	(20,000)	(40,000)	101.1	Open Market
28.04.2002	(30,000)	(60,000)	102.5	Open Market

LAKSHANA AMIT SHARMA				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
06.05.2002	(14,500)	(29,000)	112.8	Open Market
07.07.2009	993,279	1,986,558	NIL	Demerger
10.06.2010	22,504	45,008	49.3	Open Market
11.06.2010	4,000	8,000	49.1	Open Market
15.06.2010	5,995	11,990	49.6	Open Market
18.06.2010	1,122	2,244	51.6	Open Market
21.06.2010	6,000	12,000	52.4	Open Market
22.06.2010	16,254	32,508	52.2	Open Market
23.06.2010	38,546	77,092	54.2	Open Market
29.07.2010	291	582	50.9	Open Market
11.12.2012	4,785	9,570	51.8	Open Market
12.12.2012	5,719	11,438	52.1	Open Market
13.12.2012	6,673	13,346	52.3	Open Market
14.12.2012	13,373	26,746	52.2	Open Market
Total	1,830,841			
Maximum Equity Shares intended to be tendered				Up to 610,662

* Adjusted for stock split

SUDHA KAMALAKSHA NAIK				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
09.01.1995	150,000	300,000	2.0	Cash
22.05.1995	30,000	60,000	2.0	Cash
11.02.2000	400,000	800,000	2.0	Cash
02.04.2003	40,000	80,000	NIL	Gift
07.07.2009	864,570	1,729,140	NIL	Demerger
10.06.2010	15,430	30,860	49.1	Open Market
29.07.2010	243	486	51.0	Open Market
Total	1,500,243			
Maximum Equity Shares intended to be tendered				Up to 500,394

* Adjusted for stock split

KAMALAKSHA RAMA NAIK (HUF)				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
01.11.2001	6,685	13,370	59.0	Open Market
02.11.2001	4,815	9,630	59.9	Open Market
05.11.2001	3,910	7,820	59.1	Open Market
06.11.2001	1,600	3,200	60.1	Open Market
07.11.2001	2,750	5,500	60.5	Open Market
08.11.2001	250	500	61.5	Open Market
09.11.2001	1,000	2,000	61.6	Open Market
12.11.2001	1,575	3,150	60.9	Open Market
13.11.2001	1,575	3,150	61.2	Open Market
14.11.2001	175	350	61.7	Open Market
15.11.2001	750	1,500	60.8	Open Market
19.11.2001	3,675	7,350	60.4	Open Market
20.11.2001	1,625	3,250	61.4	Open Market
21.11.2001	800	1,600	63.0	Open Market

KAMALAKSHA RAMA NAIK (HUF)				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
22.11.2001	525	1,050	62.5	Open Market
23.11.2001	250	500	64.1	Open Market
26.11.2001	125	250	64.1	Open Market
27.11.2001	3,250	6,500	63.1	Open Market
28.11.2001	1,550	3,100	57.2	Open Market
29.11.2001	625	1,250	61.7	Open Market
03.12.2001	750	1,500	61.9	Open Market
04.12.2001	275	550	62.7	Open Market
05.12.2001	125	250	62.3	Open Market
06.12.2001	150	300	61.1	Open Market
07.12.2001	900	1,800	61.1	Open Market
10.12.2001	875	1,750	62.6	Open Market
11.12.2001	1,125	2,250	62.2	Open Market
12.12.2001	1,050	2,100	61.8	Open Market
13.12.2001	7,500	15,000	60.9	Open Market
14.12.2001	875	1,750	61.1	Open Market
14.02.2002	50,000	100,000	62.0	Open Market
02.04.2003	42,100	84,200	NIL	Gift
07.07.2009	199,736	399,472	NIL	Demerger
Total	342,971			
Maximum Equity Shares intended to be tendered			Up to 114,395	

* Adjusted for stock split

- Consequent to the Buyback and based on the number of shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a change.
- The aggregate shareholding of the promoter group, directors of the promoter group companies is 22,350,576 Shares, comprising 74.49% of the equity share capital of the Company as on December 31, 2015 as shown below;

Sr. No	Name of Shareholder	No. of Shares held	Percentage
1	Kamalaksha Rama Naik	15,662,993	52.20
2	Arati Kamalaksha Naik	3,013,528	10.04
3	Kamalaksha Rama Naik (HUF)	342,971	1.14
4	Sudha Kamalaksha Naik	1,500,243	5.00
5	Lakshana Amit Sharma	1,830,841	6.10
	Total	22,350,576	74.49

None of the Directors or Key Managerial Personnel of the Company hold any Equity Shares in the Company except for the following:

Sr. No	Shareholding of each Directors & each Key Managerial Personnel	No. of Shares held	Percentage
1	Jangoo Minoo Dalal	30,000	0.10
2	Krishnanand Maruti Gaonkar	68,962	0.23
3	K. G. Prabhu	750	0.00

As mentioned in clause 5 of section 11, Mr. Kamalaksha Rama Naik, Ms. Arati Kamalaksha Naik, Ms. Sudha Kamalaksha Naik and Ms. Lakshana Amit Sharma intend to participate in the Buyback and tender an aggregate maximum number of 7,454,850 Equity Shares or such lower number of shares as required in compliance with the Buy-back Regulations/terms of the Buyback.

8. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoter group in the Company may increase over the existing 74.49% holding in the total equity capital and voting rights of the Company. The promoter and promoter group of the Company are already in control over the Company and therefore such further increase in voting rights of the promoter group will not result in any change in control over the Company. The promoter group has undertaken that in case there is an increase in voting rights of the promoter group beyond 75%, necessary steps will be taken to reduce the shareholding of the promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding Requirement. The Company and the promoters have undertaken to comply with the Minimum Public Shareholding Requirements even after the Buyback.
9. Further, the promoters and promoter group confirm that they have not voted in favour of the board resolution and the shareholder resolution authorizing the Buyback under sections 68, 69 and 70 of the Companies Act, 2013.
10. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Shareholders upto their entitlement, the aggregate shareholding of the promoters and promoter group, post Buyback may increase to 74.63% from 74.49% pre Buyback, and the aggregate shareholding of the public in the Company shall decrease to 25.37% post Buyback from 25.51% pre Buyback.
11. Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.
12. The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
13. In compliance with regulation 19(1)(b) of Buy-back Regulations, the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
14. The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.
15. Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2015 are as under:

	Pre Buyback*	Post Buyback*
Net Worth (Rs. Lacs) ^a	40,832.0	32,631.7
Return on Net Worth/ Return on Equity (%) ^b	3.3%	4.1%
Basic Earnings per Share - Basic (Rs) ^c	4.4	5.9
Book value per Share/ NAV per Share (Rs) ^d	136.1	144.7
P/E based on PAT as per the latest audited financial result (Rs.) ^e	23.4	17.4
Debt-Equity Ratio ^f	-	-

a. Excludes revaluation reserve of Rs.371.84 Lakhs; based on audited financials as of Mar 31, 2015

b. Return on Net worth = Profit before tax/Net worth; Profit before tax based on audited financials for the fiscal FY2015; Net worth based on audited financials as of Mar 31, 2015 and excludes revaluation reserves.

c. Earnings per share = Profit after Tax/Equity Share Capital; Profit after Tax based on the audited financials for the fiscal FY15

d. Book Value per Share = Net worth/Equity Share Capital; Net worth based on the audited financials as of Mar 31, 2015 and excludes revaluation reserves

e. P/E ratio based on the closing market price as on April 20, 2016, the date of publication of Public Announcement i.e. Rs.102.90 (NSE) and Earnings per Share based on the audited financials for the fiscal FY15

f. Debt-Equity ratio = Total Debt (including current maturities of Long-term debt / Net worth based on the audited financials as of Mar 31, 2015; Net worth excludes revaluation reserves.

* Pre and Post Buyback calculations are based on audited financials as of March 31, 2015

12. BASIS OF CALCULATING BUYBACK PRICE

The equity shares of the Company are proposed to be bought back at a price not exceeding Rs.110/- (Rupees One Hundred and Ten only) per equity share. The Buyback Offer Price has been arrived at after considering various factors such as the volume weighted average prices of the Equity Shares of the Company on the BSE and on the NSE (where the Equity Shares of the Company are listed), the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.

The Buyback Offer price of Rs.110/- (Rupees One Hundred and Ten only) per Equity Share represents a premium of 14.7% and 16.8% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 33.9% and 35.3% over the volume weighted average price of the Equity Shares on the BSE and on the NSE, respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback

For trends in the market price of the Equity Shares, please refer to paragraph 19 of this Letter of Offer.

The closing market price of the Equity Shares as on the date of intimation to the BSE and the NSE for the Board Meeting for considering the Buyback was Rs. 80.55 on the BSE and Rs. 80.45 on the NSE.

The Earnings per share of the Company pre-Buyback as on March 31, 2015 was Rs. 4.4 which will increase to Rs. 5.9 post Buyback assuming full acceptance of the Buyback and subject to notes as disclosed under Section 11.

The Return of Net Worth of the Company pre Buyback as on March 31, 2015 was 3.3% which will increase to 4.1% post Buyback assuming full acceptance of the Buyback and subject to notes as disclosed under Section 11.

13. SOURCES OF FUNDS

1. Assuming full acceptance, the funds that would be deployed by the Company for the purposes of the Buyback, would be Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only).
2. The funds for Buyback will be available from cash balances available with the Company and/or liquidation of financial instruments held by the Company that have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback. The cost of financing the Buyback would be notional loss in other income, if any. However, if required, the Company may borrow funds in the ordinary course of its business.

14. DETAILS OF ESCROW ACCOUNT AND AMOUNT TO BE DEPOSITED THEREIN

In accordance with Regulation 10 of the Buy-back Regulations, an Escrow Agreement has been entered into amongst the Company, Manager to the Buyback and the Escrow Agent having its registered office at 27 BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 on March 21, 2016.

In terms of the Escrow Agreement, the Company has (a) opened an escrow account in the name and style "Smartlink Network Systems Limited Buyback – Escrow Account" bearing the account number 0411734198 (b) a fixed deposit account linked to the above escrow account. The Company has deposited in the Escrow account cash aggregating to a sum of Rs. 205,008,375/- (Rupees Twenty Crores Fifty Lakhs Eight Thousand Three Hundred and Seventy Five only). This amount of cash deposited is equal to the amount required to be deposited in terms of the Buyback Regulations. This has been confirmed vide a confirmation letter dated March 29, 2016 issued by the Bank. In terms of the Escrow Agreement, the cash as well as any fixed deposit created there from will constitute the escrow amount and would form part of the Escrow Account.

The Manager to the Offer has been empowered to operate the Escrow Account in accordance with the Buy-back Regulations.

15. FIRM FINANCING ARRANGEMENTS

1. The Company, duly authorized by its Buyback Committee, has identified and earmarked specific investments for the purpose of fulfillment of the obligations of the Company under the Buyback. Such investments, together with funds provided for escrow arrangements, are in excess of the Buyback Size.
2. Based on the resolution of the Buyback Committee dated April 18, 2016 in this regard, and other facts/documents, S.P. Bhandare, Proprietor of S.P. Bhandare & Associates, (Membership number 35615), Chartered Accountants,

have certified, vide their letter dated April 18, 2016 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback.

- The Manager to the Buyback, having regard to the above, confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

16. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- The capital structure as on December 31, 2015 is as follows:

	Pre Buyback (Rs. Lacs)
Authorised Share Capital 35,000,000 Equity Shares of Rs. 2/- each	700.00
Issued, Subscribed and Paid-Up Share Capital 30,004,850 fully paid-up Equity Shares of Rs.2/- each	600.10

- Assuming full acceptance in the Buyback the capital structure post Buyback would be as follows:

	Pre Buyback (Rs. Lacs)
Authorised Share Capital 35,000,000 Equity Shares of Rs. 2/- each	700.00
Issued, Subscribed and Paid-Up Share Capital 22,550,000 fully paid-up Equity Shares of Rs. 2/- each	451.00

- There are no partly paid-up Shares of the Company.
- There are no outstanding instruments convertible into Shares.
- The Company shall not issue and allot any Shares including by way of bonus or convert any ESOPs into Shares, from the date of Public Announcement till the date of closure of this Buyback.
- There have been no other buyback programmes of the Company over the last 3 years from the date of the Letter of Offer.
- The shareholding pattern of the Company as on April 29, 2016 (Record Date) as well as post Buyback shareholding, are as shown below:

Particulars	Number of Shares	% to existing share capital	No. of Shares post Buyback*	% holding post Buyback*
Promoter Group	22,350,576	74.49%	16,828,671	74.63%
Foreign Investors (GDRs/OCBs/FIIs/NRIs/Non-residents/Non-domestic companies)	143,247	0.48%	5,721,329	25.37%
Indian Financial Institutions/ Banks/NBFCs/ Mutual Funds/Govt. Companies	19,162	0.06%		
Public including other Bodies Corporate	7,491,865	24.97%		
Total	30,004,850	100.00%	22,550,000	100%

* Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement

8. No Equity Shares of the Company have been purchased/sold by any member of the promoter/promoter group, directors and key managerial personnel of the Company during the period from twelve months preceding the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till the date of this Letter of Offer, except for the following transactions:

Name of Promoter Group / Director	Date of Transfer	No. of Shares Sold	Details of Transfer	Maximum Price (Rs.)*	Date of Maximum Price	Minimum Price (Rs.)*	Date of Minimum Price	Average Price (Rs.)*
Jango Minoo Dalal	7-Aug-2015	30,000	Sale of Shares in the Open Market	122.05	7-Aug-2015	116.90	7-Aug-2015	118.59

*Excluding Brokerage and other transaction costs

9. Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be Rs. 451 Lacs comprising 22,550,000 Shares of Rs. 2/- each as more fully set out in clause 16 (2) of this Letter of Offer.
10. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

17. BRIEF INFORMATION ABOUT THE COMPANY

- The Company was incorporated on March 31, 1993 under the Companies Act, 1956 as Smartlink Network Private Limited. The registered office of the Company is located at L-7, Verna Industrial Estate, Verna, Salcete, Goa- 403722.
- The paid up equity share capital of the Company for the year ended March 31, 2015 was Rs. 600.10 Lacs and the reserves and surplus for the year ended March 31, 2015 were Rs. 40,466.57 Lacs.
- The Company is in the business of developing, manufacturing, marketing, distributing and servicing of networking products.
- The company has large scale manufacturing facility for the manufacturing of networking products at Verna, Goa.
- The company offers range of products for various communication needs including Switching, Broadband Routing, Wireless LAN and Surveillance.
- The shares of the Company were listed on BSE and NSE in 2001.
- Following is the share capital history of the Company since inception:

Date of Allotment	# of shares	Face Value (Rs.)	Issue Price (Rs.)	Value (Rs.)	Consi-deration	Nature of Allotment	Cumulative		
							# of Shares	Paid up Capital	Share Premium
31.03.1993	1000	2	2	2,000	Cash	Subscribed at the time of incorporation of Company	1,000	2,000	Nil
09.01.1995	2,500,000	2	2	5,000,000	Cash	Issue of Shares to existing Shareholders	2,501,000	5,002,000	Nil
22.05.1995	4,999,000	2	2	9,998,000	Cash	Issue of Shares to existing Shareholders	7,500,000	15,000,000	Nil
22.12.1995	1,759,250	2	6	3,518,500	Cash	Issue of Shares to D-Link Corporation (N. R. Co.)	9,259,250	18,518,500	Nil

Date of Allotment	# of shares	Face Value (Rs.)	Issue Price (Rs.)	Value (Rs.)	Consideration	Nature of Allotment	Cumulative		
							# of Shares	Paid up Capital	Share Premium
24.02.1997	3,240,750	2	6	6,481,500	Cash	Issue of Shares to D-Link Asia Investments Pte. Ltd, Singapore (N. R. Co.)	12,500,000	25,000,000	Nil
08.01.1999	2,806,100	2	6	5,612,200	Cash	Issue of Shares to D-Link Corporation (N. R. Co.)	15,306,100	30,612,200	Nil
11.02.2000	5,000,000	2	2	10,000,000	Cash	Issue of Shares to existing Shareholders	20,306,100	40,612,200	Nil
31.03.2000	1,500,000	2	40	3,000,000	Cash	Issue of Shares by Private Placement	21,806,100	43,612,200	Nil
20.07.2000	300,000	2	40	600,000	Cash	Issue of Shares by Private Placement	22,106,100	44,212,200	Nil
22.09.2000	100,000	2	2	200,000	Cash	Issue of Shares to existing Employees	22,206,100	44,412,200	Nil
22.09.2000	650,000	2	2	1,300,000	Cash	Issue of Shares to D-Link (India) Ltd. ESOP Trust	22,856,100	45,712,200	Nil
02.04.2001	7,148,750	2	60	14,297,500	IPO	Initial Public Offer	30,004,850	60,009,700	278,614,693
Total	30,004,850			60,009,700					

8. The Board of Directors of the Company comprises the following:

Name	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships
Mr. Kamalaksha R Naik	Executive Chairman	Post Graduate in Industrial Engineering	31.03.1993	• Nil
Ms. Arati Naik	Chief Operating officer & Director	BE (Honours) in Computing Technology and MSc (Honours) in Business Information Systems	09.09.2014	• Nil
Mr. Pradeep Rane	Non-Executive Director	Science Graduate	26.12.2006	• Nil
Mr. Jangoo Dalal	Non-Executive Director	Bachelor Degree in Science and Master of Management Studies (MBA)	02.07.2007	• AGC Networks Limited • iGuru Ventures Private Limited
Mr. Pankaj Baliga	Independent Director	Bachelor's Degree in Engineering and Master's Degree in Business Administration	22.12.2005 / 26.07.2014	• Anzbai (Mumbai) Business Forum
Mr. K.M. Gaonkar	Independent Director	Masters Degree in Science	24.05.2000 / 26.07.2014	• Nil
Mr. Bhanu Patel	Independent Director	Bachelors Degree in Commerce and General Law and is a Member of the Institute of Chartered Accountants of India	09.09.2014	• Ahura Holdings Private Limited • Oerlikon Textile India Private Limited
Mr. Pradeep Pande	Independent Director	Bachelors degree in Science and Legislative Law (LLB), Master degree in Labour Studies - Human Resources Management/ Personnel Administration, General and has done Diploma in Training & Development	05.01.2015	• Nil

Name	Appointment/ Resignation	Effective Date	Reasons
K.M. Gaonkar	Re-appointment	26.07.2014	--
Pankaj Baliga	Re-appointment	26.07.2014	--
Arati Naik	Appointment	09.09.2014	--
Bhanubhai Patel	Appointment	09.09.2014	--
Pradeep Pande	Appointment	05.01.2015	--
Dattaraj Salgaoncar	Retirement	26.07.2014	Retired by Rotation

The Buyback will not result in any benefit to any directors of the Company / promoters / person in control of the Company / group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital post Buyback.

18. FINANCIAL INFORMATION

The brief audited financial information of the Company for the last three financial years and the unaudited financial results for the period ended December 31, 2015 are provided below. It must be noted that the financial results for the period ended December 31, 2015 although unaudited have been subjected to a limited review by the statutory auditors as is required under Regulation 33 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The results have been adopted by the Board of Directors of the Company at its meeting on January 28, 2016 and the statutory auditors have issued their limited review report dated January 28, 2016 on the same.

(Rs. Lacs)

Period Ending	Dec 31, 2015	Mar 31, 2015	Mar 31, 2014	Mar 31, 2013
Period	9 Months	12 Months	12 Months	12 Months
Income from Operations	5,102.7	9,092.2	14,984.6	11,750.6
Other Income	2,454.2	4,137.4	2,339.6	3,624.9
Total Income	7,556.9	13,229.6	17,324.2	15,375.5
Total Expenses excluding Interest, Depreciation, Tax and Extraordinary items	7,117.1	11,554.2	17,547.4	15,584.8
Interest	1.0	0.4	1.3	6.8
Depreciation	149.4	326.9	369.5	388.6
Profit before Tax	289.4	1,348.1	(594.0)	(204.7)

As on	Dec 31, 2015	March 31, 2015	March 31, 2014	March 31, 2013
Equity Share Capital	NA	600.1	600.1	600.1
Reserves & Surplus	NA	40,466.6	39,881.7	40,800.8
Net Worth	NA	41,203.8	40,618.9	41,538.0
Total Debt	NA	-	-	-
Total Capital Employed	NA	41,203.8	40,618.9	41,538.0
Key Ratios				
Earnings per Share (Rs)	NA	4.4	(0.7)	(0.7)
Book value per Share (Rs)	NA	136.1	134.1	137.2
Debt-Equity Ratio	NA	-	-	-
Return on Net worth (%)	NA	3.3%	-1.5%	-0.5%

Notes:

- Earnings per Share = Profit After Tax / No. of Shares at the end of the period
- Book value per Share = Net Worth(excluding Revaluation Reserves) / No. of Shares at the end of the period
- Debt-Equity Ratio = Total Debt/Net worth(excluding Revaluation Reserves)
- Return on Net worth = Profit before tax/Net worth(excluding Revaluation Reserves)

The Company shall abide SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company has complied with sections 68, 69 and 70 of the Companies Act, 2013.

19. STOCK MARKET DATA

1. The Shares of the Company are listed on BSE and NSE.
2. The high, low and average market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding the Public Announcement and the corresponding volumes on BSE are as follows:

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
4 Years								
FY16 (Apr 15 – Mar 16)	128.50	Jul 28, 2015	258,275	57.25	Jun 03, 2015	6,307	89.50	12,337,359
FY15 (Apr 14 - Mar 15)	93.60	Nov 03, 2014	162,772	43.05	Apr 22, 2014	1,982	66.32	4,033,768
FY14 (Apr 13 - Mar 14)	61.30	May 08, 2013	3,663	39.00	Sep 10, 2013	879	45.57	703,111
FY13 (Apr 12 - Mar 13)	63.80	Jan 01, 2013	25,142	42.00	Jun 04, 2012	16,472	50.98	1,225,681
6 months								
1 st October - 31 st October 2015	110.00	Oct 07, 2015	36,920	93.50	Oct 30, 2015	71,169	102.97	528,030
1 st November - 30 th November 2015	106.40	Nov 17, 2015	80,243	88.2	Nov 09, 2015	45,646	96.78	661,879
1 st December - 31 st December 2015	111.70	Dec 4, 2015	62,278	95.8	Dec 10, 2015	9,381	100.77	612,391
1 st January - 31 st January 2016	102.00	Jan 01, 2016	18,931	75.3	Jan 19, 2016	22,086	88.92	342,477
1 st February- 29 th February 2016	102.70	Feb 26, 2016	625,491	69.50	Feb 17, 2016	13,727	81.86	1,232,771
1 st March - 31 st March 2016	102.35	Mar 10, 2016	92,574	92.10	Mar 01, 2016	93,900	96.16	492,034
1 st April - 18 th April 2016	102.80	Apr 06, 2016	33,396	96.00	Apr 01, 2016	7,555	98.91	87,836

Source: www.bseindia.com

*Arithmetical average of closing prices

3. The high, low and average market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding the Public Announcement and the corresponding volumes on NSE are as follows:

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
4 Years								
FY16 (Apr 15 – Mar 16)	128.65	Jul 29, 2015	342,958	55.00	Jun 08, 2015	34,619	89.54	30,942,764
FY15 (Apr 14 - Mar 15)	93.70	Nov 03, 2014	428,959	44.15	Apr 01, 2014	5,162	66.42	13,712,642
FY14 (Apr 13 - Mar 14)	63.00	Apr 09, 2013	3,690	37.40	Dec 31, 2013	15,374	45.62	1,116,684
FY13 (Apr 12 - Mar 13)	63.75	Jan 01, 2013	108,447	38.10	Jul 27, 2012	5,767	50.98	2,090,251
6 months								
1 st October - 31 st October 2015	110.00	Oct 07, 2015	117,350	94.50	Oct 30, 2015	69,913	103.14	1,010,271
1 st November - 30 th November 2015	107.80	Nov 17, 2015	129,592	88.00	Nov 09, 2015	48,301	96.85	898,092
1 st December - 31 st December 2015	111.70	Dec 04, 2015	130,072	95.00	Dec 10, 2015	30,865	100.97	1,298,665
1 st January - 31 st January 2016	102.50	Jan 01, 2016	55,773	76.25	Jan 21, 2016	61,275	89.07	958,490
1 st February- 29 th February 2016	103.00	Feb 26, 2016	1,397,863	70.00	Feb 12, 2016	37,532	82.0	4,075,351
1 st March - 31 st March 2016	102.20	Mar 10, 2016	227,064	92.10	Mar 01, 2016	342,442	96.24	1,804,974
1 st April - 18 th April 2016	102.75	Apr 06, 2016	212,013	96.40	Apr 01, 2016	23,813	99.04	635,091

Source: www.nseindia.com

*Arithmetical average of closing prices

4. Notice of the first Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on February 24, 2016. The closing price of the Company's equity share on February 24, 2016 on BSE was Rs. 80.55 and on NSE was Rs. 80.45. The Board, at its meeting held on February 29, 2016, approved the proposal for the

Buyback at a price not exceeding Rs. 110/- per share and the intimation was sent to BSE and NSE on the same day. The high and low market prices on BSE on February 29, 2016, were Rs. 101.10 and Rs. 88.15 respectively and on NSE were Rs.101.00 and Rs. 88.30 respectively. The high and low market prices on BSE on February 26, 2016, (being the trading day previous to the day on which the Board Meeting was held to approve the Buyback) were Rs. 102.70 and Rs. 93.50 respectively and on NSE were Rs. 103.00 and Rs. 90.65 respectively.

20. STATUTORY APPROVALS

The Buyback offer is subject to approvals, if any required, under the provisions of the Companies Act, the Buy-back Regulations, FEMA and/or such other acts in force for the time being.

The Board at its meeting held on February 29, 2016 approved the proposal for the Buyback.

The Shareholders of the Company approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 62 of the Articles of Association of the Company and in accordance with provisions of the Companies Act, the Share Capital Rules, the Management Rules and the Buy-back Regulations, by way of a special resolution, through the postal ballot, the results of which were announced on 14th April, 2016.

The Buyback of Shares from non-residents ("NR") and Non Resident Indian ("NRI") shareholders will be subject to approvals, if any, of the appropriate authorities, including Reserve Bank of India (RBI), as applicable.

By agreeing to participate in the Buyback the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting's, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

21. REGISTRAR TO THE BUYBACK

The Company has appointed the following as the Registrars to the Buyback:

Name	:	M/s Karvy Computershare Private Limited
Address	:	Karvy Selenium, Tower B, Plot number 31 & 32 Gachibowli, Financial District, Nanakramguda Hyderabad 500 032
Contact Person	:	Mr. M. Muralikrishna
Phone	:	+91 - 40 - 6716 2222
Fax	:	+91 - 40 - 2343 1551
Email	:	murali.m@karvy.com

In case of any query, the shareholders may contact the Registrar during working hours i.e. 10 am and 4 pm all working days except Saturday, Sunday and public holidays.

22. COLLECTION CENTRES

Eligible Shareholders are requested to submit their Form(s) and requisite documents either by registered post/courier to the Registrar to the Buyback, super scribing the envelope as "Smartlink Buyback 2016", or hand deliver the same to the Registrar at the address mentioned in paragraph 21.

23. PROCESS AND METHODOLOGY FOR THE BUYBACK

1. The Company proposes to Buyback not exceeding 7,454,850 Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of Rs. 110/- (Rupees One Hundred and Ten only) per Equity Share, payable in cash for an aggregate amount of Rs. 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only) (being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest standalone audited balance sheet as on March 31, 2015). The maximum number of Equity Shares proposed to be bought back represents 24.85% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 62 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act and in compliance with Buy-back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc.
2. The aggregate shareholding of the promoter group / persons in control is 22,350,576 Equity Shares, which represents 74.49% of the existing equity share capital of the Company. In terms of the Buy-back Regulations, under the Tender Offer route, the promoters of a company have the option to participate in the buyback. In this regard, the promoter entities as listed in clause 5 section 11 of this Letter of Offer have expressed their intention, vide their individual letters dated February 29, 2016 to participate in the Buyback and offer up to an aggregate maximum of 7,454,850 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer up to their respective shareholding as on the Record Date, or such lower number of Equity Shares as required in compliance with the Buy-back Regulations / terms of the Buyback.
3. Assuming response to the Buyback Offer is to the extent of 100% from all the Shareholders up to their entitlement (full acceptance), post Buyback the aggregate shareholding of the promoter and promoter group will be 16,828,671 Equity Shares, representing 74.63% of the post Buyback equity share capital of the Company i.e. an increase of 0.14% (rounded-off) from their present holding of 74.49% of the pre Buyback equity share capital of the Company.

4. Record Date, ratio of Buyback and entitlement of each Shareholder

- a. The Buyback Committee in its meeting held on April 18, 2016 announced Friday, April 29, 2016 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
- b. The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders ("**Reserved Category**"); and
 - General category for all Shareholders other than Small Shareholders ("**General Category**")
- c. As defined in the Buy-back Regulations, a "Small Shareholder" is a Shareholder who holds Equity Shares having market value, on the basis of closing price on NSE as on Record Date, of not more than Rs. 200,000/- (Rupees Two Lacs). As on the Record Date, the closing price on NSE was Rs. 93.5 per Equity Share, accordingly all Shareholders holding not more than 2,139 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback Offer.
- d. Based on the above definition, there are 14,913 Small Shareholders with aggregate shareholding of 4,354,830 Shares, as on the Record Date, which constitutes 14.51% of the outstanding paid up equity share capital of the Company and 58.4% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.

- e. In compliance with Regulation 6 of the Buy-back Regulations, the reservation for the Small Shareholders, will be 1,118,228 Equity Shares which is higher of:
- i. Fifteen percent of the number of Equity Shares which the Company proposes to buyback i.e. 15% of 7,454,850 Equity Shares which works out to 1,118,228 Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $(4,354,830/30,004,850) \times 7,454,850$] which works out to 1,081,979 Equity Shares. All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buyback.
- f. Accordingly, General Category shall consist of 6,336,622 Equity Shares.
- g. Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

Category Entitlement Ratio of Buyback

Category	Entitlement Ratio of Buyback
Reserved Category	19 Equity Shares out of every 74 fully paid-up Equity Shares held on the Record Date
General Category	21 Equity Shares out of every 85 fully paid-up Equity Shares held on the Record Date

5. Fractional Entitlements

If the entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 2 or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

6. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a. Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 23(6)(a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c. Post the acceptance as described in paragraph 23(6)(a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation,

the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 23(6)(b), shall be reduced by one.

- d. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 23(6)(c), will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

7. Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a. Full Acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 23(7)(a), in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 23(7)(b), will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

8. Basis of Acceptance of Equity Shares between the two categories

- a. After acceptances of tenders, as mentioned in paragraph 23(6) and 23(7), in case, there are any Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- b. If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 23(8)(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 23(6).
- c. Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 23(8)(a):

- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

9. For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- **Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:**
 - **the number of Shares tendered by the respective Shareholder and**
 - **the number of Shares held by the respective Shareholder, as on the Record Date**
- **Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.**

24. PROCEDURE FOR TENDERING SHARES AND SETTLEMENT

1. The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date.
2. The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. This Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buy-back Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
3. The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
4. The Company shall comply with Regulation 19(5) of the Buy-back Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
5. Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their buyback entitlement. Shareholders also have the option of tendering additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 23 of this Letter of Offer.
6. The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.
7. The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICY CELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Companies Act and the Buy-back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
8. For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the "**Company's Broker**") to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in this paragraph 15. In the tendering process, the Company's Broker may also process the orders received from the Shareholders. The contact details of the Company's Broker are as follows:



Kotak Securities Limited

27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051

Contact Person: Mr. Karl Sahukar, Tel: +91-22-4336-0827

9. The Company will request NSE to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. NSE would be the Designated Stock Exchange for this Buyback Offer. The details of the platform will be specified by NSE from time to time.
10. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").
11. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Seller Members during normal trading hours of the secondary market.
12. Seller Members can enter orders for demat Shares as well as physical Shares.
13. Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
14. The cumulative quantity tendered shall be made available on NSE's website –www.nseindia.com- throughout the trading session and will be updated at specific intervals during the Tendering Period.

15. Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form

- a) Shareholders who desire to tender their Equity Shares in the dematerialised form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- b) The Eligible Shareholder / Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ("**Clearing Corporation**") for the transfer of the shares to the special account of Clearing Corporation before placing the bids / orders and the same shall be validated at the of order entry. The details of the special account of Clearing Corporation shall be informed in issue opening circular that will be issued by NSE / Clearing Corporation.
- c) For Custodian Participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- d) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('**TRS**') generated by the exchange bidding system to the Shareholder. TRS will contain the details order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- e) Eligible Shareholders who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in same order in which they hold the Shares, along with the TRS generated by the exchange bidding system at the head-office (mentioned in section 20 of this Letter of Offer) of Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback Offer, may send the same by registered post / speed post,

at their own risk, superscribing the envelope as “Smartlink Buyback Offer 2016”, to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received not later than 2 (two) days from the Closing Date i.e. June 21, 2016 (by 5 PM).

- f) In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- g) The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.
- h) The acceptance from all non-resident Shareholders (excluding FIIs) is subject to the Company receiving the permission received by them from the RBI to acquire the Equity Shares held by them in the Company. In case the Equity Shares are held on repatriation basis, the non-resident Shareholder should obtain and deliver to the Company a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Shareholder from the appropriate account as specified by RBI in its approval. In case the non resident Shareholder is not in a position to produce the said certificate, the shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company along with the completed Tender Form allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Buyback. If any of the above stated documents (as applicable) are not sent across to the Company, the Equity Shares tendered under the Buyback are liable to be subsequently rejected.

16. Procedure to be followed by Registered Equity Shareholders holding Equity Shares in Physical form

- a) Shareholders who are holding physical Equity Shares and intend to participate in the Buyback be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:
 - i. The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) the same order in which they hold the shares.
 - ii. Original share certificates
 - iii. Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company
 - iv. Self-attested copy of the Shareholder's PAN Card
 - v. Any other relevant documents such as (but not limited to):
 - Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
 - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
 - vi. In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- b) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- c) After placement of bid, as mentioned in paragraph 24(16)(b), the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in paragraph 24(16)(a)) either by registered post or courier or hand delivery to the Registrar and Transfer Agent

(‘RTA’) (at the address mentioned on the cover page and mentioned in paragraph 22 of this Letter of Offer) not later than 2 (two) days from the Closing Date i.e. June 21, 2016 (by 5 PM). The envelope should be superscribed as “Smartlink Buyback Offer 2016”. One copy of the TRS will be retained by RTA and it will provide acknowledgment of the same to the Seller Member.

- d) Shareholders holding physical shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buyback by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the NSE shall display such bids as ‘Unconfirmed Physical Bids’. Once, RTA confirms the bids it will be treated as ‘Confirmed Bids’.
- e) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before Closing Date.
- f) All non-resident Shareholders (excluding FIIs) should also enclose a copy of the permission received by them from the RBI to acquire the Equity Shares held by them in the Company. In case the Equity Shares are held on repatriation basis, the non-resident Shareholder should obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the nonresident Shareholder from the appropriate account as specified by RBI in its approval. In case the non resident Shareholder is not in a position to produce the said certificate, the shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Buyback. If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

17. In case of non-receipt of this Letter of Offer:

- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e www.smartlink.co.in or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Offer by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders’ PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company’s website www.smartlink.co.in. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 24(16)(a)), reach the collection centres not later than 2 (two) days from the Closing Date i.e. June 21, 2016 (by 5 PM). If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by NSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the ‘plain paper’ option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

18. Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way.
19. The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20. Method of Settlement

Upon finalization of the basis of acceptance as per Buy-back Regulations:

- 1) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
 - 2) The Company will pay the consideration to the Company's Brokers on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
 - 3) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company ("**Demat Escrow Account**") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
 - 4) Excess demat shares or unaccepted demat Shares, if any, tendered by the Shareholders would be returned to the respective Seller Members by Clearing Corporation as part of the exchange payout process, not later June 27, 2016. In case of Custodian Participant orders, excess demat shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
 - 5) Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA. The Company will issue a new single share certificate for all the unaccepted physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than June 27, 2016.
 - 6) Every Seller Member, who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
21. Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
 22. The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Regulations.

25. NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

a) Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

- i. Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- ii. Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

b) Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, HUF, AOP and BOI
- Others

b. Non Resident Shareholders being:

- NRIs
- FIIs
- Others:
 - Company
 - Other than Company

2. SHARES HELD AS INVESTMENT

- a) For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable DTAA.
- b) The taxability as per the provisions of the Income Tax Act is discussed below.
- c) Nature of capital gains as per the provisions of the Income Tax Act As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:
 - i. Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
 - ii. Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- d) Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

Buyback of shares through a recognized stock exchange

- e) Where transaction for transfer of such equity shares (i.e. buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- i. LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
- ii. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- In case of foreign companies and FII: Surcharge @ 5% is leviable where the total income exceeds Rs.10 crores and @ 2% where the total income exceeds Rs.1 crore but is less than or equal to Rs. 10 crores. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable in all cases.
- In case of other non-resident assesseees (i.e. other than foreign companies): Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable in all cases.
- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs.10 crores and @ 7% where the total income exceeds Rs.1 crore but is less than or equal to Rs. 10 crores is leviable in all cases.
- In case of resident assesseees (i.e. other than domestic companies): Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable.

3. SHARES HELD AS STOCK-IN-TRADE

- a) If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- b) Resident Shareholders
 - i. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - ii. For persons other than individuals, HUF, AOP, BOI profits would be taxable @ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, in the case of domestic companies, Surcharge @ 12% is leviable where the total income exceeds Rs.10 crores and @ 7% where the total income exceeds Rs.1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore but is less than or equal to Rs. 10 crores. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable in all cases.
- c) Non Resident Shareholders
 - i. For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
 - ii. Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

In addition to the above, in the case of foreign companies, Surcharge @ 5% is leviable where the total income exceeds Rs.10 crores and @ 2% where the total income exceeds Rs.1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

4. TAX DEDUCTION AT SOURCE

- a) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

- b) In the case of Non Resident Shareholders
Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians / authorised dealers / tax advisors appropriately.

5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

26. DECLARATION BY THE BOARD OF DIRECTORS

1. The Board of Directors confirm that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. The Board of Directors confirm that based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Companies Act, the Buyback Committee of the Board of Directors have formed an opinion that:
 - a) Immediately following the date of the Letter of Offer, there are no grounds on which the Company could be found unable to pay its debts.
 - b) As regards its prospects for the year immediately following the date of the Letter of Offer that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.
 - c) In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act

This declaration is made and issued by the Committee under the authority of the Board of Directors in terms of the resolution passed at the meeting held on February 29, 2016.

For and on behalf of the Board of Directors of the Company

Sd/-

Mr. Kamalaksha Naik
Executive Chairman
DIN: 00002013

Sd/-

Mr. K. M. Gaonkar
Director
DIN: 00002425

In addition, the Company has also confirmed that it is in compliance with section 159, 207 and 211 of the Act.

27. AUDITOR'S CERTIFICATE

The contents of the Report dated February 29, 2016 received from the Statutory Auditors of the Company addressed to the Board of Directors is reproduced below:

Quote

To,
The Board of Directors,
Smartlink Network Systems Ltd,
Plot No. 5, Kurla Bandra Complex Road,
Santacruz (E), Mumbai 400 098

Dear Sirs,

Re: Proposed Buy-back of Equity Shares

In connection with the proposed Buyback of Equity Shares by Smartlink Network Systems Limited (the '**Company**') as approved by the Board of Directors at its meeting held on February 29, 2016, in pursuance of the provisions of Section 68 of the Companies Act, 2013 ("the **Act**") and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (the "**SEBI Buy-back Regulations**"), as amended; and based on the information and explanations given to us which were to the best of our knowledge and belief necessary for this purpose, we report that:

1. We have enquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2015 which has been approved by the Board of Directors of the Company.
2. The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2015.

Particulars as on March 31, 2015		Amount (Rs. in crores)	
Paid up capital (3,00,04,850 shares of Rs. 2/- each)	A		6.00
Free Reserves:			
Profit and loss account balance		317.16	
Securities Premium		27.86	
General reserve		55.67	
Total Free Reserves	B		400.69
Total paid up capital and free reserves	A+B		406.69
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the total paid up capital and free reserves with the Shareholders' Approval)			101.67
Maximum amount permitted by Board Resolution dated February 29, 2016 approving Buyback, subject to shareholder approval, based on the audited financial statements for the year ended March 31, 2015.			82.00

3. The Board of Directors of the Company, in their meeting held on February 29, 2016 have formed their opinion as specified in Part A, clause (x) of Schedule II to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended, on reasonable grounds, that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution.

We have not performed an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items thereof, for the purpose of this report. Accordingly we do not express such opinion.

This report has been issued at the request of the Company solely for use of the Company in relation to filling information with the explanatory statement to the notice for special resolution and in connection with the proposed Buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, as amended and may not be suitable for any other purpose.

Date: February 29, 2016

Place: Mumbai

For **Deloitte Haskins & Sells LLP**,
Chartered Accountants
(Registration No. 117366W/W-100018)

Abhijit A. Damle
Partner
(Membership No. 102912)

Unquote

28. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Buyback at 27BKC, Plot no. C-27, 1st floor, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm up to the date of closure of the Buyback.

- a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Smartlink Network Systems Limited;
- b) Copy of the annual reports of Smartlink Network Systems Limited for the years ended March 31, 2013, March 31, 2014 and March 31, 2015;
- c) Copy of the resolution passed by the Board of Directors at the meeting held on February 29, 2016 approving proposal for Buyback;
- d) Copy of Certificate dated February 29, 2016 received from Deloitte Haskins & Sells LLP, in terms of clause (xi) of Part A to Schedule II of the Buy-back Regulations;
- e) Copy of the postal ballot notice to the Equity Shareholders dated February 29, 2016, along with Explanatory Statement;
- f) Copy of special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on April 14, 2016;
- g) Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- h) Copy of Escrow Agreement dated March 21, 2016 between Smartlink Network Systems Limited, Kotak Mahindra Bank, Mumbai and Kotak Mahindra Capital Company, confirming that Rs. 20,50,08,375/- (Rupees Twenty Crores Fifty Lakhs Eight Thousand Three Hundred and Seventy Five only) is kept in escrow account and a lien has been marked on the amount in favour of the Manager to the Buyback Offer and a certificate dated March 29, 2016 from Kotak Mahindra Bank, Mumbai confirming the balance to the credit of Escrow Account;

- i) Copy of the certificate from S. P. Bhandare & Associates, dated April 18, 2016 certifying that the Company has adequate funds for the purposes of buyback of 7,454,850 Equity Shares at the price of Rs.110/- per Equity Share;
- j) Copy of Public Announcement published in the newspapers on April 20, 2016 regarding Buyback of Equity Shares;
- k) Copy of SEBI observation letter no. CFD/DCR2/OW/2016/14774 dated May 23, 2016.

29. INVESTOR SERVICE CENTER AND COMPLIANCE OFFICER

The Company has designated the following as the Compliance Officer for the Buyback:

Name	Urjita Damle
Designation	Company Secretary & Compliance Officer
Address	L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722
Tel	0832 – 2885400
Email id	Company.Secretary@smartlink.co.in

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am to 4 pm on all working days, at the above mentioned address.

30. REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit etc.) the investor can approach the Compliance Officer for redressal.

If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of subsection (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.

The address of the concerned office of the Registrar of Companies is as follows:
 Registrar of Companies, Maharashtra, Mumbai
 100, Everest, Marine Drive, Mumbai – 400 002

31. MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:



Name : Kotak Mahindra Capital Company Limited
Address : 27BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Phone : +91 22 4336 0000
Fax : +91 22 6713 2447
Email : project.smartbuyback@kotak.com
Contact Person : Mr. Ganesh Rane

32. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company accepts responsibility for all the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board.

**For and on behalf of all members of the Board of Directors
of Smartlink Network Systems Limited**

Sd/-

Mr. Kamalaksha Naik
Executive Chairman
DIN: 00002013

Sd/-

Mr. K. M. Gaonkar
Director
DIN: 00002425

Sd/-

Ms. Urjita Damle
Company Secretary

Date: May 24, 2016
Place: Mumbai