



## Investment Banking

June 4, 2018

✓  
**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: Buyback of upto 56,00,000 equity shares of face value INR 2/- each of Smartlink Holdings Limited at a price of INR 120/- per Share under tender offer process under Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998**

With respect to the above captioned Buyback, please find enclosed the Letter of Offer.

We request you to make a note of the above.

Yours sincerely,

For **Kotak Mahindra Capital Company Limited**

---

Anup Poddar  
Senior Vice President

Encl.: As stated above

**Kotak Mahindra Capital Company Limited**

CIN U67120MH1995PLC134050

Registered Office:

**27BKC**

C - 27, "G" Block

Bandra Kurla Complex

Bandra (East), Mumbai - 400 051, India.

T +91 22 43360000

F +91 22 67132445

[www.investmentbank.kotak.com](http://www.investmentbank.kotak.com)

## 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 Holdings Limited (Formerly known as Smartlink Network System Limited)** (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buyback 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 definitions of the capitalized terms used herein.



#### SMARTLINK HOLDINGS LIMITED

[Formerly known as Smartlink Network Systems Limited]

CIN: L67100GA1993PLC001341

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa, 403722

Tel.: (0832) 288 5400 Fax: (0832) 278 3395

E-mail: [Company.Secretary@smartlink.co.in](mailto:Company.Secretary@smartlink.co.in) Website: [www.smartlink.co.in](http://www.smartlink.co.in)

**CASH OFFER TO BUYBACK NOT EXCEEDING 56,00,000 (FIFTY SIX LAKHS ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS. 2/- EACH, REPRESENTING 24.83% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE, ON A PROPORTIONATE BASIS (SUBJECT TO SMALL SHAREHOLDER RESERVATION), THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF RS. 120/- (RUPEES ONE HUNDRED AND TWENTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 67,20,00,000/- (RUPEES SIXTY SEVEN CRORES TWENTY LAKHS ONLY)**

- 1) The Buyback is in accordance with Article 62 of the Articles of Association of the Company and is subject to the provisions of Sections 68, 69, 70, 100, 108 & 110 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 (Buyback 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 Limited, BSE Limited, Reserve Bank of India, etc.
- 2) The Buyback Offer Size is 20.11% and 19.68% of the fully paid-up equity share capital and free reserves as per the standalone audited accounts of the Company as on March 31, 2017 and March 31, 2018 respectively 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 will be sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. 18<sup>th</sup> May, 2018.
- 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 24.26 of Letter of Offer.
- 6) A copy of the Public Announcement published on May 7, 2018 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 read this Letter of Offer and in particular, refer to paragraph 19 (Statutory Approvals) and paragraph 25 (Note on Taxation) before tendering their Equity Shares in the Buyback.

**BUYBACK OPENS ON: JUNE 13, 2018 (WEDNESDAY) (9.15AM)**

**BUYBACK CLOSES ON: JUNE 26, 2018 (TUESDAY) (3.30PM)**

**LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE**

**CERTIFICATES BY THE REGISTRAR: JUNE 28, 2018 (THURSDAY) (5.00PM)**

#### MANAGER TO THE BUYBACK



**Kotak Mahindra Capital Company Limited**

27BKC, 1<sup>st</sup> Floor, Plot No. C-27, "G" Block,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Tel: +91 22 4336 0128

Fax: +91 22 6713 2447

Email: [Project.smartlinkbuyback@kotak.com](mailto:Project.smartlinkbuyback@kotak.com)

Contact Person: Mr. Ganesh Rane

SEBI Registration Number: INM000008704

Validity Period: Permanent

CIN: U67120MH1995PLC134050

#### REGISTRAR TO THE BUYBACK



**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot No 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500 032

Tel: 040 6716 2222

Fax: 040 2343 1551

Email: [smartlinkbuyback@karvy.com](mailto:smartlinkbuyback@karvy.com)

Contact Person : Mr. M. Murali Krishna

SEBI Registration Number: INR000000221

Validity Period: Permanent

CIN: U72400TG2003PTC041636

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, 69, 70, 100, 108 & 110 and all other applicable provisions, if any, of the Companies Act, 2013

## INDEX

Sr. No.	Particulars	Page No.
1.	SCHEDULE OF ACTIVITIES .....	3
2.	KEY DEFINITIONS .....	3
3.	DISCLAIMER CLAUSE .....	5
4.	TEXT OF RESOLUTION PASSED AT THE BOARD MEETING.....	7
5.	DETAILS OF PUBLIC ANNOUNCEMENT .....	11
6.	DETAILS OF THE BUYBACK OFFER.....	11
7.	AUTHORITY FOR THE BUYBACK .....	13
8.	NECESSITY FOR BUYBACK .....	13
9.	MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK .....	13
10.	MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK.....	13
11.	MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY ....	14
12.	BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK.....	22
13.	SOURCES OF FUNDS .....	22
14.	DETAILS OF ESCROW ACCOUNT AND AMOUNT DEPOSITED THEREIN .....	22
15.	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN.....	23
16.	BRIEF INFORMATION ABOUT THE COMPANY .....	25
17.	FINANCIAL INFORMATION.....	27
18.	STOCK MARKET DATA.....	28
19.	STATUTORY APPROVALS.....	29
20.	REGISTRAR TO THE BUYBACK.....	29
21.	COLLECTION CENTRE .....	30
22.	PROCESS AND METHODOLOGY FOR THE BUYBACK .....	30
23.	RECORD DATE, RATIO OF BUYBACK AND ENTITLEMENT OF EACH SHAREHOLDER.....	30
24.	PROCEDURE FOR TENDERING SHARES AND SETTLEMENT .....	33
25.	NOTE ON TAXATION .....	41
26.	DECLARATION BY THE BOARD OF DIRECTORS.....	44
27.	AUDITOR'S CERTIFICATE .....	44
28.	MATERIAL DOCUMENTS FOR INSPECTION .....	46
29.	INVESTOR SERVICE CENTER AND COMPLIANCE OFFICER.....	46
30.	REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS .....	46
31.	MANAGER TO THE BUYBACK .....	47
32.	DIRECTORS' RESPONSIBILITY STATEMENT.....	47

## 1. SCHEDULE OF ACTIVITIES

Activity	Schedule of activities	
	Date	Day
Date of Board Meeting approving the proposal for the Buyback	April 7, 2018	Saturday
Date of Extraordinary General Meeting (EGM) approving special resolution for Buyback offer by the Equity Shareholders of the Company	May 4, 2018	Friday
Publishing of Public Announcement of Buyback	May 7, 2018	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	May 18, 2018	Friday
<b>Buyback Opens on</b>	<b>June 13, 2018</b>	<b>Wednesday</b>
<b>Buyback Closes on</b>	<b>June 26, 2018</b>	<b>Tuesday</b>
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	June 28, 2018	Thursday
Last date of verification by Registrar	July 4, 2018	Wednesday
Last date of providing Acceptance to the Stock Exchange by the Registrar	July 4, 2018	Wednesday
Last date of settlement of bids on the Stock Exchange	July 5, 2018	Thursday
Last date of dispatch of share certificate(s) by RTA / return of unaccepted demat shares by Stock Exchange to Selling Member	July 5, 2018	Thursday
Last Date of Extinguishment of Shares	July 12, 2018	Thursday

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.*

## 2. KEY DEFINITIONS

<b>Act</b>	The Companies Act, 2013, as amended
<b>Articles</b>	Articles of Association of the Company
<b>Board</b>	Board of Directors of the Company
<b>Board Meeting</b>	Meeting of Board of Directors of the Company held on April 7, 2018
<b>Bank</b>	Kotak Mahindra Bank Limited
<b>BSE</b>	BSE Limited
<b>Buyback Regulations</b>	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
<b>Buyback Committee or Committee</b>	Buyback committee comprising of Mr. Kamalaksha Rama Naik, Executive Chairman, Mr. K. M. Gaonkar, Director, Mr. Pankaj Baliga, Director and Ms. Urjita Damle, Company Secretary and Compliance Officer of the Company, constituted on April 7, 2018.
<b>Buyback Entitlement or Entitlement</b>	The number of Equity Shares that an Eligible Shareholder is entitled to tender, in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio / percentage of Buyback applicable to such Shareholder
<b>Buyback or Buyback Offer or Offer</b>	Offer to buyback upto 56,00,000 (Fifty Six Lakhs Only) Equity Shares of Rs. 2/- each of Smartlink Holdings Limited at a price of Rs. 120/- (Rupees One Hundred and Twenty Only) per Equity Share in accordance with the regulations and relevant

	provisions of the Act through the Tender Offer route
<b>Buyback Price or Offer Price</b>	Price at which shares will be bought back from the shareholders i.e. Rs. 120/- (Rupees One Hundred and Twenty only) per Equity Share
<b>Buyback Size or Offer Size</b>	Number of Equity Shares proposed to be bought back multiplied by the Buyback Price i.e. up to Rs. 67,20,00,000 (Rupees Sixty Seven Crores Twenty Lakhs Only)
<b>Clearing Corporation</b>	Indian Clearing Corporation Limited
<b>Closing Date</b>	June 26, 2018
<b>Company</b>	Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited)
<b>Draft LOF or Draft Letter of Offer</b>	The draft letter of offer dated May 10, 2018
<b>DP</b>	Depository Participant
<b>Equity Share(s) or Share(s)</b>	The Company's fully paid-up equity share(s) of face value of Rs. 2/- (Rupees Two) each
<b>Equity Shareholder(s) or Shareholder(s) or Members</b>	Holders of the Equity Shares of the Company
<b>Eligible Person(s) or Eligible Shareholder(s) or</b>	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. May 18, 2018 and excludes Person(s) who do not have the capacity under applicable law to tender shares.
<b>Escrow Account</b>	Escrow account opened in accordance with Buyback Regulations, in the name of 'Smartlink Buyback - Escrow Account' bearing the account number 4811968122
<b>Escrow Agent</b>	Kotak Mahindra Bank Limited
<b>Escrow Agreement</b>	The escrow agreement entered into between the Company, the Manager to the Offer and Kotak Mahindra Bank Limited
<b>FEMA</b>	Foreign Exchange and Management Act, 1999 including the regulations, circulars, directions and notifications issued thereunder.
<b>General Category</b>	Eligible Shareholders other than the Small Shareholders
<b>IT Act/ Income Tax Act</b>	Income-Tax Act, 1961, as amended
<b>LOF or Letter of Offer</b>	This letter of offer dated June 3, 2018
<b>LODR Regulations</b>	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended
<b>Manager to the Buyback or Manager to the Offer</b>	Kotak Mahindra Capital Company Limited
<b>NSE</b>	National Stock Exchange of India Limited
<b>OCB</b>	Overseas Corporate Bodies
<b>Offer Period or Tendering Period</b>	Period of ten working days from the date of opening of the Buyback Offer i.e. June 13, 2018 till its closure i.e. June 26, 2018 (both days inclusive)
<b>Opening Date</b>	June 13, 2018
<b>PA or Public Announcement</b>	The public announcement, made in accordance with the Buyback Regulations, dated May 4, 2018 published on May 07, 2018 in all editions of Financial Express (English), Jansatta (Hindi) and Goa edition of Goa Doot (Marathi) each with wide circulation
<b>PAN</b>	Permanent Account Number
<b>RBI</b>	Reserve Bank of India
<b>Record Date</b>	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 Buyback Regulations. This date shall be May 18,2018

<b>Registrar to the Buyback or Registrar to the Offer</b>	Karvy Computershare Private Limited
<b>Reserved Category</b>	The Small Shareholders eligible to tender Shares in the Buyback
<b>SEBI</b>	The Securities and Exchange Board of India
<b>SEBI Circular</b>	“Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9 <sup>th</sup> December, 2016, including any amendments thereof
<b>Seller Member or Seller Broker</b>	A Stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
<b>Small Shareholder</b>	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. May 18, 2018
<b>Share Capital Rules</b>	Companies (Share Capital and Debentures) Rules, 2014
<b>Shareholders</b>	Holders of Equity Shares and includes beneficial owners thereof
<b>Stock Exchanges</b>	National Stock Exchange of India Limited together with BSE Limited
<b>Tender Offer</b>	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
<b>TRS</b>	Transaction Registration Slip
<b>Working Day</b>	Working day as defined in the Buyback Regulations

### 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 Buyback 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 May 10, 2018 in accordance with Buyback 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 Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and Draft 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 (Buyback of Securities) Regulations, 1998, have been duly complied with.

- The disclosures in the Public Announcement and Draft 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, 2013 as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The 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/ mis-representation 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 Buyback Regulations.

The 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.

#### **Forward Looking Statement:**

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which

have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

#### 4. TEXT OF RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on April 7, 2018. The extracts of the Board resolution are as follows:

##### **RESOLUTION:**

**“RESOLVED THAT** in accordance with Article 62 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 100, 108 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the **“Act”**), the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**), the Companies (Management and Administration) Rules, 2014 (the **“Management Rules”**), including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended (**“the Buyback Regulations”**), and subject to the approval of the members of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India (**“SEBI”**), Registrar of Companies, Goa (the **“ROC”**) and/ or other appropriate authorities which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which expression includes any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and subject to such conditions and modifications as may be prescribed or imposed by such government, regulatory or statutory authorities, the consent of the Board be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of a face value of Rs. 2/- each (**“Equity Shares”**), from the equity shareholders of the Company, as on record date (**“Record Date”**), for an amount not exceeding Rs. 67,20,00,000/- (Rupees Sixty Seven crores Twenty Lakhs Only), excluding transaction costs viz. brokerage, advisors’ fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other related and incidental expenses (hereinafter referred to as the **“Buyback Offer Size”**), 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, 2017. The Buyback Offer will comprise purchase of equity shares not exceeding 56,00,000, aggregating to 24.83% of the paid-up equity capital of the Company at a price of Rs. 120/- (Rupees One Hundred Twenty Only) per equity share on a proportionate basis through the **“Tender Offer”** route (hereinafter referred to as the **“Buyback”**), in accordance and in consonance with the provisions contained in the Buyback Regulations, the Act and the Management Rules;

**RESOLVED FURTHER THAT** the Company shall implement the Buyback from out of its free reserves and that the Buyback shall be through the Tender Offer route in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board may deem fit, subject to members’ approval by way of Extraordinary General Meeting;

**RESOLVED FURTHER THAT** in accordance with Section 68 and all other applicable provisions, if any, of the Act, the Articles of Association of the Company, and other applicable laws, the approval of the members for the Buyback be sought by way of Extraordinary General Meeting;

**RESOLVED FURTHER THAT** as required by Regulation 6 of the Buyback Regulations, the Company shall buy back Equity Shares from the members on a proportionate basis under the Tender Offer route, provided that 15% of the number of Equity Shares which the Company proposes to buy back or the number of Equity Shares entitled as per the shareholding of small shareholders as defined in the Buyback Regulations (**“Small Shareholders”**) as of the Record Date, whichever is higher, shall be reserved for Small Shareholders;

**RESOLVED FURTHER THAT** the members of the Company will be eligible to participate in the Buyback including promoters and promoter group of the Company who hold Equity Shares as of the Record Date;



**RESOLVED FURTHER THAT** the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereof;

**RESOLVED FURTHER THAT** the Buyback from non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors, Foreign Portfolio Investors and members of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities and not limited to approvals from the Reserve Bank of India (“RBI”) under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, Income Tax Act, 1961 and rules and regulations framed there under, if any;

**RESOLVED FURTHER THAT** the Company has complied and shall continue to comply with Section 70 of the Act, wherein:

- (a) It shall not directly or indirectly purchase its own shares:
  - (i) through a subsidiary company including its own subsidiary companies, if any; or
  - (ii) through any investment company or group of investment companies;
- (b) There are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any member, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years; and
- (c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Act.

**RESOLVED FURTHER THAT** the proposed Buyback be implemented from the members including the promoter(s) of the Company (as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“SEBI Takeover Regulations”) as on Record Date, from its free reserves and/or Securities Premium account and/or surplus and/or such other sources or by such mechanisms as may be permitted by law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit;

**RESOLVED FURTHER THAT** nothing contained hereinabove shall confer any right on the part of any member 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 proviso to Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, the draft Declaration of Solvency along with annexure on the Statement of Assets and Liabilities as on March 31, 2017 be and is hereby approved and the same will be filed with the ROC and SEBI after having it verified by an affidavit and signed by Mr. Kamalaksha Rama Naik, Executive Chairman and Mr. K. M. Gaonkar, Director;

**RESOLVED FURTHER** Mr. Kamalaksha Rama Naik, Executive Chairman and Mr. K. M. Gaonkar, Director be and are hereby jointly authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the ROC and SEBI;

**RESOLVED FURTHER THAT** a Buyback Committee comprising of Mr. Kamalaksha Rama Naik, Executive Chairman, Mr. K. M. Gaonkar, Director, Mr. Pankaj Baliga, Director and Ms. Urjita Damle, Company Secretary & Compliance Officer be and is hereby constituted and the powers of the Board in respect of the Buyback be delegated to the Committee (“**Buyback Committee**”) and the Buyback Committee be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buyback, including, but not limited to, the following:

1. Initiating all necessary actions for preparation, amendments, finalization and dispatch of extraordinary general meeting notice along with explanatory statement and seek member approval for the Buyback;
2. Filing of Public Announcement, the draft Letter of Offer, the Letter of Offer and other related documents;
3. Preparation of and making any corrections, amendments, deletions, additions to the Public Announcement, draft Letter of Offer, Letter of Offer, Declaration of Solvency and related documents with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any;

4. Finalizing the terms of Buyback such as the entitlement ratio, fixing the Record Date, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
5. Appointing Merchant Banker, Registrars, Broker, e-voting Agency, Escrow Agents, Bankers, Scrutinizer, Depository Participant, Printers, Advertisement Agency, and other Advisors, Consultants or Representatives and settlement of the remuneration for all such intermediaries/ agencies/ persons, including the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
6. Making of all applications to the appropriate authorities for their requisite approvals;
7. Giving any information, explanation, declarations and confirmation in relation to the Public Announcement, draft Letter of Offer, Letter of Offer as may be required by the relevant authorities;
8. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback in accordance with the Buyback Regulations;
9. The opening, operation and closure of cash Escrow Account and Special Account in accordance with the escrow agreement to be executed by the Company in this regard;
10. The opening, operation and closure of demat Escrow Account in accordance with the escrow agreement to be executed by the Company with the depository participants;
11. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback;
12. To make all applications to the appropriate authority(ies) for their requisite approvals including for approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, if any;
13. To sign the documents as may be necessary with regard to the Buyback and use the common seal of the Company (if required) on relevant documents required to be executed for the Buyback of shares and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities;
14. To deal 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/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof;
15. Extinguishment of share certificates and Certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board;
16. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper; and
17. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback but not limited to certified copies of all resolutions passed by the Board in connection with the Buyback;

**RESOLVED FURTHER THAT** the Buyback Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the members for the implementation of the Buyback, including but not limited to carrying out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, letter of offer, extinguishment of share certificates and 'Certificate of Extinguishment' required to be filed in connection with the Buyback on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, ROC, Depositories and/or other authorities;

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

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

**RESOLVED FURTHER THAT** the Buyback Committee do report from time to time to the Board at the meetings of the Board, status/progress of actions taken by the Buyback Committee concerning Buyback and the minutes of meeting(s) of the Buyback 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** for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

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

**RESOLVED FURTHER THAT** no information/ material likely to have a bearing on the decision of the investors has been/shall be 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 mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and Buyback Regulations;

**RESOLVED FURTHER THAT** the Company do create an Escrow Account and Special Account with Kotak Mahindra Bank Limited a scheduled commercial bank for a sum in accordance with Buyback Regulations in the said Escrow Account by way of a deposit in a timely manner in compliance with the requirements of the Buyback Regulations;

**RESOLVED FURTHER THAT** as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, 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 on April 7, 2018 and the date on which the members' resolution is passed by way of Extraordinary General Meeting, there will be no grounds on which the Company can be found unable to pay its debts;
2. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on April 7, 2018 as well as for the year immediately following the date of passing of the members' resolution by way of Extraordinary General Meeting 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 the date of the Board Meeting and also from the date of passing of the members' resolution;
3. 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 Act and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

**RESOLVED FURTHER THAT** the Board hereby confirms that:

- a) All the Equity Shares for Buyback are fully paid-up;
- b) 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, from the date of members' resolution for and till the date of closure of this Buyback;
- c) As per provisions of Regulation 19(1)(f) of Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;

- d) That the Company, as per provisions of Section 68(8) of the Companies Act 2013, 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 a bonus issue or in discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- e) 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;
- f) 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;
- g) that there are no defaults subsisting in the repayment of Deposits or interest payment thereon, redemption of debentures or interest payment thereon, or preference shares or payment of dividend due to any member or repayment of term loans or interest payable thereon to any financial institutions or banks.
- h) that funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
- i) that the aggregate amount of the Buyback i.e. 67,20,00,000 (Rupees Sixty Seven crore Twenty lakhs Only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2017 and March 31, 2018;
- j) that the maximum number of shares proposed to be purchased under the Buyback shall 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, 2017 and March 31, 2018;
- k) the Company shall not make any offer of Buyback within a period of one year reckoned from the date of closure of the Buyback;
- l) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and

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 as on March 31, 2017.”

## 5. DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated May 4, 2018, published on May 7, 2018 in the following newspapers, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of passing the resolution by the members of the Company, on May 4, 2018:

Publication	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Goa Doot	Marathi	Goa

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

The Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

## 6. DETAILS OF THE BUYBACK OFFER

- i. The Board of Directors of Smartlink Holdings Limited at its meeting held on April 7, 2018 has approved the Buyback of up to 56,00,000 (Fifty Six Lakhs Only) Equity Shares at a price of Rs. 120/- (Rupees One Hundred and Twenty Only) per Equity Share up to an aggregate amount not exceeding Rs. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs only) excluding the transaction costs viz. brokerage, advisors' fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other related and incidental expenses, which works out to be 20.11% and 19.68% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2017 and March 31, 2018 respectively through the "Tender Offer" route as prescribed under the Buyback Regulations on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date. The Buyback is being undertaken in terms of Chapter III of the Buyback Regulations under the Tender Offer route, as prescribed by the Buyback Regulations and in accordance with other provisions of the Buyback Regulations, the SEBI Circulars, LODR Regulations and Section 68, 69, 70, 100, 108 & 110 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant rules framed thereunder, including the Share Capital Rules, to the extent applicable. The Buyback is subject to receipt of any approvals, permissions and

sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including SEBI, RBI and the Stock Exchanges.

- ii. With the Buyback Price of Rs. 120/- and Buyback Size of Rs. 67,20,00,000/- the total number of shares to be bought back in the Buyback shall be 56,00,000 Equity Shares, representing 24.83% of the total issued and paid-up equity capital of the Company.
- iii. The Buyback shall be undertaken on a proportionate basis from the Shareholders as of the Record Date being May 18, 2018 through the Tender Offer prescribed under Regulation 4(1)(a) of the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circulars. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, as prescribed in the SEBI Circular.
- iv. In terms of the Buyback Regulations, under Tender Offer, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoter and promoter group of the Company have informed the Company vide their letter, dated April 7, 2018 regarding his intention to participate in the Buyback. The extent of his participation in the Buyback has been detailed in paragraph 11 of this Letter of Offer.
- v. The Buyback Price represents a premium of 4.80% and 5.21% over the volume weighted average market 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 40.00% and 38.38% over the volume weighted average market 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.
- vi. The aggregate paid-up share capital and free reserves as at March 31, 2017 (the standalone audited financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback) is Rs. 334.13 crores. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the total paid-up share capital and free reserves of the Company i.e. Rs. 83.53 crores. The maximum amount proposed to be utilized for the Buyback, is Rs. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs only) which is 20.11% and 19.68% of the standalone fully paid-up share capital and free reserves of the Company as per the audited Balance Sheet as at March 31, 2017 and March 31, 2018 respectively and is therefore not exceeding the limit of 25% of the aggregate of the Company's fully paid-up share capital and free reserves.
- vii. Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of equity shares that can be bought back in the current financial year is 56,37,500 Equity Shares (Fifty Six Lakhs Thirty seven thousand Five hundred only) Equity Shares, (calculated on the basis of the Total Paid Up capital of the Company as on March 31, 2017 and March 31, 2018). Since the Company proposes to buyback up to 56,00,000 Equity Shares, the same is within the aforesaid 25% limit.
- viii. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoters in the Company may increase over the existing 74.44% holding in the total equity capital and voting rights of the Company. The promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the promoters will not result in any change in control over the Company. For details regarding the shareholding of the promoters' pre-Buyback and post-Buyback please refer to paragraph 11 of this Letter of Offer.
- ix. 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 being undertaken by the Company in accordance with Article 62 of the Articles, the provisions of Sections 68, 69, 70, 100, 108 & 110 and other applicable provisions of the Companies Act, the Rules thereunder and the Buyback Regulations. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under applicable laws.

The Board at its meeting held on April 7, 2018, passed a resolution approving the Buyback of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, to be approved at the EGM. The Shareholders of the Company have approved the Buyback by way of a special resolution, at the EGM held on May 4, 2018.

## **8. NECESSITY FOR BUYBACK**

The Board in its meeting held on April 7, 2018, considered all relevant factors, including the strategic and operational cash requirements in the medium term, present debt to equity ratio of the Company, the increase in accumulated free reserves, considered it appropriate to allocate a sum not exceeding Rs. 67,20,00,000 (Rupees Sixty Seven Crores Twenty Lakhs Only) for distributing to the Eligible Shareholders holding equity shares of the Company on the Record Date, through a Buyback.

In line with the above and with an objective of enhancing the shareholders returns, the Board decided to recommend Buyback at a price of Rs.120/- (Rupees One Hundred and Twenty Only) per equity share for an aggregate consideration of upto Rs. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs Only).

The Buyback is being undertaken to return to the equity shareholders, in an expedient, effective and cost-efficient manner, surplus cash which is in excess of the Company's ordinary capital requirements and current investment plans. The Buyback is being undertaken for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its Shareholders holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Shareholders;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocating to the Small Shareholders the higher of a) number of shares entitled as per their holdings, or b) 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholder" as per Regulation 2(1)(la) of the Buyback Regulations;
- iii. The Buyback is expected to improve return on equity and earnings per share by reduction in the equity base, thereby leading to long term increase in Shareholders' value;
- iv. The Buyback gives an option to Shareholders 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 not to participate and enjoy a resultant increase in their percentage shareholding in the Company, post the Buyback offer, without additional investment.

## **9. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK**

The Company proposes to Buyback not exceeding 56,00,000 Equity Shares of the Company representing 24.83% of the paid-up equity capital of the Company.

## **10. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK**

The maximum amount required under the Buyback would not exceed Rs. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs only) which is not more than 25% of the fully paid-up capital and free reserves as per the standalone audited accounts of the Company as on March 31, 2017 (excluding the transaction costs viz. brokerage, advisors' fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other related and incidental expenses)

The Buyback would be financed out of free reserves of the Company (including Securities Premium Account) or such

other source as may be permitted by the Buyback Regulations or the Act. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet. The funds borrowed, if any, from Banks and Financial Institutions will not be used for the Buyback.

The Company confirms that as required under Section 68(2)(d) of the Act, 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 as on March 31, 2017, after the Buyback.

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

- i. The Buyback is not likely to cause any impact on the profitability/ earnings of the Company, except to the extent of reduction of 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. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- ii. The Buyback is not expected to impact growth opportunities for the Company.
- iii. 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.
- iv. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
- v. In terms of the Buyback 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 of the Company have expressed their intention to participate in the Buyback vide their letter dated April 7, 2018, and may tender upto a maximum of 56,00,000 Equity Shares or such lower number of Equity Shares depending on the response received from the public shareholders in compliance with the Buyback Regulations/terms of Buyback.
- vi. Details of the date and price of acquisition of the Equity Shares that promoters intend to tender are set-out below:

<b>KAMALAKSHA RAMA NAIK</b>				
<b>Date</b>	<b>No. of Shares*</b>	<b>Nominal Value</b>	<b>Issue Price/Transfer Price*</b>	<b>Consideration</b>
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

**KAMALAKSHA RAMA NAIK**

<b>Date</b>	<b>No. of Shares*</b>	<b>Nominal Value</b>	<b>Issue Price/Transfer Price*</b>	<b>Consideration</b>
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
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



**KAMALAKSHA RAMA NAIK**

Date	No. of Shares*	Nominal Value	Issue Price/Transfer Price*	Consideration
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
30.06.2016	(4,174,721)	8,349,442	110.0	Buyback
<b>Total</b>	<b>11,488,272</b>			

**Maximum Equity Shares intended to be tendered Up to 3,832,432**

\* 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

**ARATI KAMALAKSHA NAIK**

<b>Date</b>	<b>No. of Shares*</b>	<b>Nominal Value</b>	<b>Issue Price/Transfer Price*</b>	<b>Consideration</b>
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
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
30.06.2016	(803,208)	1,606,416	110.0	Buyback
27.09.2017	1,600	3,200	95.2	Open Market
27.09.2017	15,089	30,178	95.2	Open Market
28.09.2017	10,462	20,924	95.8	Open Market
28.09.2017	17,529	35,058	96.5	Open Market
<b>Total</b>	<b>2,255,000</b>			

**ARATI KAMALAKSHA NAIK**

Date	No. of Shares*	Nominal Value	Issue Price/Transfer Price*	Consideration
<b>Maximum Equity Shares intended to be tendered</b>				<b>Up to 752,257</b>

\* 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
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
30.06.2016	(487,982)	975,964	110.0	Buyback
28.06.2017	1,660	3,320	96.6	Open Market
28.06.2017	13,559	27,118	96.7	Open Market
29.06.2017	78,000	1,56,000	97.5	Open Market
29.06.2017	3,000	6,000	97.2	Open Market
30.06.2017	790	1,580	96.8	Open Market
14.09.2017	2,180	4,360	93.2	Open Market
15.09.2017	2,410	4,820	93.7	Open Market
18.09.2017	1,750	3,500	93.0	Open Market
18.09.2017	2,240	4,480	93.2	Open Market
19.09.2017	11,944	23,888	93.9	Open Market
21.09.2017	1,320	2,640	93.1	Open Market
21.09.2017	7,672	15,344	93.3	Open Market
22.09.2017	13,073	26,146	93.6	Open Market
22.09.2017	28,097	56,194	93.5	Open Market
25.09.2017	6,791	13,582	93.9	Open Market
25.09.2017	45,183	90,366	94.6	Open Market
28.09.2017	53,174	1,06,348	99.9	Open Market
28.09.2017	26,872	53,744	99.2	Open Market
29.09.2017	9,497	18,994	100.0	Open Market
29.09.2017	12,415	24,830	99.7	Open Market

**LAKSHANA AMIT SHARMA**

Date	No. of Shares*	Nominal Value	Issue Price/Transfer Price*	Consideration
<b>Total</b>	<b>1,664,486</b>			
<b>Maximum Equity Shares intended to be tendered</b>				<b>Up to 555,264</b>

\* 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
30.06.2016	(399,866)	799,732	110.0	Buyback
26.09.2017	5,549	11,098	96.4	Open Market
26.09.2017	21,574	43,148	96.1	Open Market
<b>Total</b>	<b>1,127,500</b>			
<b>Maximum Equity Shares intended to be tendered</b>				<b>Up to 376,129</b>

\* 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
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

<b>KAMALAKSHA RAMA NAIK (HUF)</b>				
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
30.06.2016	(91,414)	182,828	110.0	Buyback
<b>Total</b>	<b>251,557</b>			
<b>Maximum Equity Shares intended to be tendered</b>			<b>Up to 83,918</b>	

\* Adjusted for stock split

vii. 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.

viii. The aggregate shareholding of the Promoters who are in control of the Company:

<b>Sr. No</b>	<b>Name of Shareholder</b>	<b>No. of Equity Shares held</b>	<b>Shareholding Percentage (%)</b>
1	Kamalaksha Rama Naik	11,488,272	50.94
2	Arati Kamalaksha Naik	2,255,000	10.00
3	Lakshana Amit Sharma	1,664,486	7.38
4	Sudha Kamalaksha Naik	1,127,500	5.00
5	Kamalaksha Rama Naik (HUF)	251,557	1.12
<b>Total</b>		<b>16,786,815</b>	<b>74.44</b>

ix. The aggregate shareholding of the Directors and Key Managerial Personnel of the Company:

<b>Sr. No</b>	<b>Name</b>	<b>Designation</b>	<b>No. of Equity Shares held</b>	<b>Shareholding Percentage (%)</b>
1	Krishnanand Gaonkar	Director	41,925	0.19
2	K. G. Prabhu	Chief Financial Officer	204	0.00

x. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoters in the Company may increase over the existing 74.44% holding in the total equity capital and voting rights of the Company. The promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the promoters 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.

- xi. 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, may increase to 74.96% post Buyback from current pre-Buyback shareholding of 74.44% and the aggregate shareholding of the public in the Company shall decrease to 25.04% post Buyback from current pre-Buyback shareholding of 25.56%.
- xii. 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, the shareholding of promoters would undergo a change.
- xiii. 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) from all the Eligible Shareholders upto their Buyback Entitlement.
- xiv. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- xv. 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.
- xvi. The promoters shall not deal in the Equity Shares of the Company, including any inter se transfer of shares amongst the promoters for the period between the date of passing of the Special Resolution and the date of the closure of the Buyback in accordance with the Buyback Regulations.
- xvii. Salient financial parameters consequent to the Buyback based on the latest standalone audited results as on March 31, 2017 and March 31, 2018 are as under:

*(Rs. Crore, except per share data)*

Particulars	Pre Buyback*		Post Buyback*	
	March 31, 2018		March 31, 2017	
Net Worth (in Rs cr) <sup>a</sup>	341.45	274.25	335.87	268.67
Return on Net Worth/ Return on Equity (%) <sup>b^</sup>	3.22%	4.01%	1.54%	1.92%
Basic Earnings per Share - Basic (Rs) <sup>c</sup>	4.88	6.49	2.12	3.05
Book value per Equity Share/ NAV per Share (Rs) <sup>d</sup>	151.42	161.8	148.94	158.51
P/E as per the latest audited financial result <sup>e</sup>	17.24	12.97	46.16	32.08
Total Debt/Equity Ratio <sup>f</sup>	0.00	0.00	0.00	0.00

Notes:

a. Excludes revaluation reserve

b. Return on Networth = Profit/(loss) for the period(Annualised) / Networth

c. Basic Earnings per Share = Profit for the period / Avg. No. of Shares at the end of the period

d. Book Value per Equity Share = Networth divided by total number of shares outstanding

e. Price / Earnings (P/E) = Closing market price of the Equity Shares on NSE on March 28, 2018( Rs. 84.15) and (March 31, 2017 Rs. 97.85) divided by Basic earnings per Equity Share

f. Total debt / equity Ratio = Total debt divided by Networth

g. For the purpose of calculating post buy back figures, net worth is reduced by Rs. 67.20 Crores assuming full acceptance in buy back. Similarly Avg. no of shares for the purpose of basic earnings per share and total no. of shares for the purpose of book value per equity share has been reduced by 56 Lakhs assuming full acceptance in buy back.

\*Pre and Post Buyback calculations are based on standalone audited financials as of March 31, 2018 and as of March 31, 2017

^Annualized Profit / (loss) for the period includes profits from discontinued operations and net gain on sale of identified business

## 12. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK

- i. The Equity Shares are proposed to be bought back at a price of Rs. 120/- (Rupees One Hundred and Twenty Only) per share ("**Buyback Price**"). The Buyback Price has been arrived at after considering many factors, including, but not limited to the trends in the volume weighted average prices of the Equity Shares of the Company on the BSE and NSE Stock Exchanges where the Equity Shares of the Company are listed during last three months and two weeks, the net worth of the Company, price earning ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share.
- ii. The Buyback Price represents a premium of 4.80% and 5.21% 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 40.00% and 38.38% 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.
- iii. For trends in the market price of the Equity Shares, please refer to paragraph 18 of this Letter of Offer.
- iv. 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. 89.60 on the BSE and Rs. 89.15 on the NSE.
- v. The earning per share of the Company pre-Buyback as on March 31, 2017 was Rs. 2.12 which will increase to Rs. 3.91 post Buyback assuming full acceptance of the Buyback and subject to notes as disclosed under this Section.
- vi. The annualized return of net-worth of the Company pre-Buyback as on March 31, 2017 was 1.54% which will increase to 1.92% post Buyback assuming full acceptance of the Buyback and subject to notes as disclosed under this Section.

## 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. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs only) excluding transaction costs viz. brokerage, advisors' fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax, stamp duty and other related and incidental expenses.
2. The fund for the Buyback will be sourced out of the free reserves of the Company (including Securities Premium Account) or such other source as may be permitted by the Buyback Regulations or the Act. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statement. The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.

## 14. DETAILS OF ESCROW ACCOUNT AND AMOUNT DEPOSITED THEREIN

1. In accordance with Regulation 10 of the Buyback Regulations, an Escrow Agreement has been entered into amongst the Company, Manager to the Buyback and the Escrow Agent on February 2, 2018. The Escrow Agent has its registered office at 27 BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
2. In terms of the Escrow Agreement, the Company has (a) opened an escrow account in the name and style Smartlink Buyback – Escrow Account bearing the account number 4811968122; (b) will deposit in the Escrow Account cash aggregating to a sum of Rs. 16,80,00,000 (Rupees Sixteen crores and eighty lakhs only) i.e. equivalent to 25% upto Rs. 100 crores and 10% thereafter of the Buyback Size, by way of security for the fulfillment of its obligations under the Buyback before the offer opening. The Manager to the Buyback is empowered to operate the Escrow Account in accordance with the Buyback Regulations.
3. The amount of cash deposited in the Escrow Account is in accordance to the amount required to be deposited in terms of the Buyback Regulations.

4. The Company, duly authorized by its Board of Directors has identified and earmarked specific investments for the purpose of fulfillment of the obligations of the Company under the Buyback. Such investments are in excess of the Buyback Size.
5. Based on the resolution of the Buyback committee at its meeting held on May 4, 2018 in this regard, and other facts/documents, Mr. S.P. Bhandare of S.P. Bhandare & Associates, Chartered Accountants, 101157W, have certified, vide their letter dated May 4, 2018, that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback.
6. The Manager to the Buyback, having regard to the above, confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

15. **CAPITAL STRUCTURE AND SHAREHOLDING PATTERN**

1. The present capital structure of the Company as on date of the issue of this Letter of Offer is as follows:

	<b>Pre Buyback (Rs. Lacs)</b>
<b>Authorised Share Capital</b>	
3,50,00,000 Equity Shares of Rs. 2/- each	700.00
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
2,25,50,000 fully paid-up Equity Shares of Rs. 2/- each	451.00

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

	<b>Post Buyback (Rs. Lacs)</b>
<b>Authorised Share Capital</b>	
3,50,00,000 Equity Shares of Rs. 2/- each	700.00
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
1,69,50,000 fully paid-up Equity Shares of Rs. 2/- each	339.00

3. There are no outstanding instruments (including ESOPs) which are convertible into Shares of the Company.
4. 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.
5. Details of buyback programmes undertaken by the Company in the last three years are given below:

<b>Sr. No.</b>	<b>Opening Date</b>	<b>Closing Date</b>	<b>Method of Buyback</b>	<b>Equity Shares Bought Back</b>
1	June 6, 2016	June 17, 2016	Tender Offer	7,454,850



6. The shareholding pattern of the Company as on May 18, 2018 (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*
Promoters	1,67,86,815	74.44	1,27,06,552	74.96
Foreign Investors (OCBs/FIIs/NRIs/Non-residents/Non-domestic companies)	1,19,598	0.53		
Indian Financial Institutions/ Banks/Mutual Funds/Govt. Companies	1,729	0.01	42,43,448	25.04
Public including other Bodies Corporate	56,41,858	25.02		
<b>Total</b>	<b>2,25,50,000</b>	<b>100.00</b>	<b>1,69,50,000</b>	<b>100.00</b>

\* Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement and acceptance of Promoters and Promoter Group shares based on their intention or entitlement, whichever is lower.

No Equity Shares of the Company have been purchased/sold by any of the Promoters, 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 proposed and from the date of the Board Meeting till the date of this Letter of Offer, other than the following:

Name of Director / Promoters	No. of Shares Purchased / Sold	Details of the Transfer	Maximum Price (Rs.)	Date of Maximum Price (Rs)	Minimum Price (Rs.)	Date of Minimum Price	Average Price (Rs.)	Date of Transaction
Arati Naik	16,689	Open Market Purchase	95.5	27.09.2017	95.1	27.09.2017	95.2	27.09.2017
Arati Naik	27,991	Open Market Purchase	97.2	28.09.2017	93.7	28.09.2017	96.2	28.09.2017
Sudha Naik	27,123	Open Market Purchase	97.2	26.09.2017	95.1	26.09.2017	96.2	26.09.2017
Lakshana Sharma	15,219	Open Market Purchase	97.2	28.06.2017	96.2	28.06.2017	96.7	28.06.2017
Lakshana Sharma	81,000	Open Market Purchase	97.5	29.06.2017	96.7	29.06.2017	97.5	29.06.2017
Lakshana Sharma	790	Open Market Purchase	96.8	30.06.2017	96.7	30.06.2017	96.8	30.06.2017
Lakshana Sharma	2,180	Open Market Purchase	93.1	14.09.2017	92.8	14.09.2017	93.2	14.09.2017
Lakshana Sharma	2,410	Open Market Purchase	93.8	15.09.2017	93.1	15.09.2017	93.7	15.09.2017
Lakshana Sharma	3,990	Open Market Purchase	93.6	18.09.2017	92.7	18.09.2017	93.1	18.09.2017
Lakshana Sharma	11,944	Open Market Purchase	93.7	19.09.2017	93.7	19.09.2017	93.9	19.09.2017
Lakshana Sharma	8,992	Open Market Purchase	94.1	21.09.2017	92.6	21.09.2017	93.3	21.09.2017
Lakshana Sharma	41,170	Open Market Purchase	93.7	22.09.2017	93.1	22.09.2017	93.5	22.09.2017
Lakshana Sharma	51,974	Open Market Purchase	95.6	25.09.2017	92.1	25.09.2017	94.5	25.09.2017
Lakshana Sharma	80,046	Open Market Purchase	100.2	28.09.2017	96.2	28.09.2017	99.7	28.09.2017
Lakshana Sharma	21,912	Open Market Purchase	100.9	29.09.2017	97.9	29.09.2017	99.8	29.09.2017

7. Assuming full acceptance of the Buyback, the issued, paid up equity share capital of the Company would be Rs. 339 Lakhs comprising 16,950,000 Shares of Rs. 2/- each as more fully set out in paragraph 15 of this Letter of Offer.
8. 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, post Buyback may increase to 74.96% from 74.44%.

9. There is no pending scheme of amalgamation or compromise or arrangement of the Company pursuant to any provisions of the Act.

## 16. BRIEF INFORMATION ABOUT THE COMPANY

- The Company was incorporated on March 31, 1993 under the Companies Act, 1956. The registered office of the Company is located at L-7, Verna Industrial Estate, Verna, Salcete, Goa, 403722. The name of the Company has been changed from Smartlink Network Systems Limited to Smartlink Holdings Limited pursuant to the Certificate of Incorporation issued by the Ministry of Corporate Affairs (Registrar of Companies) dated 18<sup>th</sup> April, 2018.
- The paid-up equity share capital of the Company for the year ended March 31, 2017 was Rs. 4.51 Crores and the total free reserves (on a standalone basis) for the year ended March 31, 2017 were Rs. 329.62 Crores.
- The Company is in the business of Investment of funds in Mutual Funds and other Investments and investments in its subsidiary Companies. The Company has received the Certificate of Registration to carry on the business of non – banking financial institution without accepting public deposits from Reserve Bank of India dated May 2, 2018.\*
- The Company has 3 Subsidiaries namely 1. Digisol Systems Limited, 2. Synegra EMS Limited and 3. Telesmart SCS Limited (hereinafter referred to as the Group). The Group is in the business of developing, manufacturing, marketing, distributing and servicing of networking products and Structured Cabling products.
- It has its manufacturing facility for the manufacturing of networking and SCS products at Verna, Goa.
- The group 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.
- History of Growth**

For the financial years ended March 31, 2017, 2016 and 2015, the Company recorded standalone revenue of ₹21.64 crore, ₹ 73.63 crore and ₹ 92.88 crore, respectively, and standalone profit after tax of ₹ 5.17 crore, ₹ 4.38 crore, and ₹ 13.21 crore, respectively. The year-on-year growth of standalone revenue and standalone profit after tax for the year ended March 31, 2017 was -70.61% and 18.03%, respectively.

For the nine months ended December 31, 2017, the company recorded standalone revenue of ₹ 14.16 crore and standalone profit after tax of ₹ 8.82 crore. The growth of standalone revenue and standalone profit after tax for the nine months ended December 31, 2017 as compared to same period in the previous year was -19.92% and 97.26%, respectively.

The figures for nine-month ending December 31, 2017 and year ended March 31, 2017 are not comparable with the previous year figures due to transfer of Digisol brand business and Electronic Manufacturing Services business (EMS business) to the wholly-owned subsidiaries in October 2016

9. 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
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	22,206,100	44,412,200	Nil

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
						Employees			
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
30.06.2016	(7,454,850)	2	110	820,033,500	Cash	Buyback	22,550,000	45,100,000	278,614,693
<b>Total</b>	<b>22,550,000</b>			<b>45,100,000</b>					

\*Disclaimer:

a) "Reserve Bank of India neither accepts any responsibility nor guarantees the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of any liability by the Company."

b) "Neither there is any provision in law to keep, nor does the Company keep any part of the deposits with the Reserve Bank of India and by issuing a Certificate of Registration to the Company, the Reserve Bank of India, neither accepts any responsibility nor guarantees the payment of deposits to any depositor or any person who has lent any sum to the Company."

#### 10. 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	<ul style="list-style-type: none"> <li>• Synegra EMS Limited</li> <li>• Telesmart SCS Limited</li> <li>• Tanmatra Technologies Private Limited</li> <li>• Digisol Systems Limited</li> </ul>
Ms. Arati Naik	Non Executive Director	BE (Honours) in Computing Technology and MSc (Honours) in Business Information Systems	26.10.2016	<ul style="list-style-type: none"> <li>• Digisol Systems Limited</li> </ul>
Mr. Pradeep Rane	Independent Director	Science Graduate	26.12.2006	<ul style="list-style-type: none"> <li>• Digisol Systems Limited</li> </ul>
Pankaj Baliga	Independent Director	Bachelor's Degree in Engineering and Master's Degree in Business Administration	22.12.2005 / 26.07.2014	<ul style="list-style-type: none"> <li>• Anzbai (Mumbai) Business Forum</li> <li>• Digisol Systems Limited</li> <li>• British Business Promotion Association</li> </ul>
Mr. K. M. Gaonkar	Independent Director	Masters Degree in Science	24.05.2000 / 26.07.2014	<ul style="list-style-type: none"> <li>• Telesmart SCS Limited</li> <li>• Synegra EMS Limited</li> </ul>
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	<ul style="list-style-type: none"> <li>• Oerlikon Textile India Private Limited</li> <li>• Ahura Holdings Private Limited</li> <li>• Synegra EMS Limited</li> <li>• Telesmart SCS Limited</li> <li>• Nysa Marine Services Private Limited</li> <li>• Pallas Gas Carriers Private Limited</li> <li>• Nysa LPG Logistics Private Limited</li> </ul>
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	<ul style="list-style-type: none"> <li>• Synegra EMS Limited</li> </ul>

#### 11. The details of change in Board of Directors during the last 3 years from the date of this Letter of offer are as under:

Name	Appointment/ Resignation	Effective Date	Reasons
Pradeep Rane	Change in designation	05.08.2016	Appointed as Independent Director
Jango Dalal	Change in designation	05.08.2016	Appointed as Independent Director
Arati Naik	Change in designation	26.10.2016	Resigned as Whole Time Director of the Company and continued as Non-Executive Director
Jango Dalal	Resignation	02.01.2018	Resignation

12. 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.

## 17. FINANCIAL INFORMATION

The brief audited financial information of the Company for the last three financial years and the standalone audited financial results for the periods ended December 31, 2017, March 31, 2017, March 31, 2016 and year ended March 31, 2015 are provided below.

(Rs. Crore, except per share data)

Period Ending	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015
Period	12 Months	9 Months	12 months	12 Months	12 Months
<b>Continuing operations</b>					
Income from Operations (Gross of Excise Duty)	18.06	14.16	21.64	73.63	92.88
Other Income	2.91	2.41	2.52	32.72	41.37
Total Income	20.97	16.57	24.16	106.35	134.25
Total Expenses excluding Finance Costs, Dep, Tax & Exceptional items	5.18	3.88	10.99	97.64	117.50
Finance Costs	0.07	0.06	0.15	0.06	-
Depreciation & Amortization	1.28	0.98	1.20	1.89	3.27
Profit before Tax	14.44	11.65	11.82	6.76	13.48
Exceptional income/(expenses)	-	-	3.13	-	-
<b>Total profit from continuing operations before tax</b>	<b>14.44</b>	<b>11.65</b>	<b>14.95</b>	<b>6.76</b>	<b>13.48</b>
<b>Discontinued operations loss</b>	-	-	<b>(4.86)</b>	-	-
<b>Profit before Tax</b>	<b>14.44</b>	<b>11.65</b>	<b>10.09</b>	<b>6.76</b>	<b>13.48</b>
Provision for tax (incl. deferred tax and net of excess/short provision for tax of earlier years)	3.44	2.83	4.92	2.38	0.27
Profit for the period	11.00	8.82	5.17	4.38	13.21
<b>As on</b>	<b>Mar 31, 2018</b>	<b>Dec 31, 2017</b>	<b>Mar 31, 2017</b>	<b>Mar 31, 2016<sup>@</sup></b>	<b>Mar 31, 2015<sup>^</sup></b>
Equity Share Capital	4.51	NA	4.51	6.00	6.00
Reserves & Surplus	340.65	NA	335.08	410.42	404.67
Net Worth	345.16	NA	339.59	416.42	412.04
Total Debt	-	NA	-	-	-
<b>Key Financial Ratios</b>					
Basic Earnings per Share (Rs)	4.88	NA	2.12	1.46	4.40
Book value per Share (Rs)	153.07	NA	150.59	138.78	137.32
Debt-Equity Ratio	0.00	NA	0.00	0.00	0.00
Return on Networth (%)	3.19%	NA	1.52 %	1.05 %	3.21 %

### Notes:

1. Basic Earnings per Share = Profit for the period / Avg. No. of Shares at the end of the period
2. Book value per Share = Net Worth / No. of Shares at the end of the period
3. Debt-Equity Ratio = Total Debt / Networth
4. Return on Networth = Profit/(loss) for the period(Annualised) / Networth
5. Figures disclosed above are including discontinued operation

@ Prepared in accordance with Ind AS

^ Prepared in accordance with IGAAP

\* Not annualized

The Company shall abide by 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.

## 18. STOCK MARKET DATA

- The Shares of the Company are listed on BSE and NSE.
- 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 date of filing of Letter of Offer 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
<b>3 Years</b>								
FY18 (Apr 17 – Mar 18)	137.00	10-Jan-18	79,956	80.00	28-Mar-18	10,068	99.83	30,12,563
FY17 (Apr 16 - Mar 17)	123.40	12-Dec-16	4,92,910	76.00	15-Nov-16	8,164	95.26	40,31,089
FY16 (Apr 15 - Mar 16)	128.50	28-Jul-15	2,58,275	57.25	3-Jun-15	6,307	89.50	1,23,37,359
<b>6 months</b>								
1 <sup>st</sup> Nov- 30 <sup>th</sup> Nov 2017	114.90	20-Nov-17	84,781	95.20	17-Nov-17	43,120	104.24	447,133
1 <sup>st</sup> Dec – 31 <sup>st</sup> Dec 2017	119.00	22-Dec-17	1,23,823	97.50	18-Dec-17	3,393	104.82	318,049
1 <sup>st</sup> Jan – 31 <sup>st</sup> Jan 2018	137.00	10-Jan-18	79,956	107.05	2-Jan-18	3,477	120.12	764,363
1 <sup>st</sup> Feb – 28 <sup>th</sup> Feb 2018	118.65	1-Feb-18	28,059	96.00	6-Feb-18	11,527	102.46	133,110
1 <sup>st</sup> Mar – 31 <sup>st</sup> Mar 2018	102.00	1-Mar-18	226	80.00	28-Mar-18	10,068	88.87	111,527
1 <sup>st</sup> Apr – 30 <sup>th</sup> Apr 2018	117.95	6-Apr-18	1,22,752	79.10	2-Apr-18	6,154	103.20	501,991

Source: [www.bseindia.com](http://www.bseindia.com)

\*Arithmetical average of closing prices

- 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 date of filing of Letter of Offer 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
<b>3 Years</b>								
FY18 (Apr 17 – Mar 18)	137.00	10-Jan-18	562,179	80.40	23-Mar-18	32,461	99.85	16,720,281
FY17 (Apr 16 - Mar 17)	123.70	12-Dec-16	2,414,392	74.50	29-Sep-16	24,574	95.32	22,082,397
FY16 (Apr 15 - Mar 16)	128.65	29-Jul-15	342,958	55.00	8-Jun-15	34,619	90.07	30,942,764
<b>6 months</b>								
1 <sup>st</sup> Nov- 30 <sup>th</sup> Nov 2017	115.00	20-Nov-17	483,426	95.00	15-Nov-17	14,800	104.21	2,479,006
1 <sup>st</sup> Dec – 31 <sup>st</sup> Dec 2017	118.70	22-Dec-17	578,170	96.00	18-Dec-17	23,283	104.65	1,683,868
1 <sup>st</sup> Jan – 31 <sup>st</sup> Jan 2018	137.00	10-Jan-18	562,179	107.20	3-Jan-18	802,639	120.28	4,687,152
1 <sup>st</sup> Feb – 28 <sup>th</sup> Feb 2018	118.45	1-Feb-18	132,015	95.00	6-Feb-18	93,048	102.59	814,601
1 <sup>st</sup> Mar – 31 <sup>st</sup> Mar 2018	102.35	1-Mar-18	11,153	80.40	23-Mar-18	32,461	88.98	686,321
1 <sup>st</sup> Apr – 30 <sup>th</sup> Apr 2018	114.90	6-Apr-18	672,692	82.50	2-Apr-18	7,012	103.13	2,981,611

Source: [www.nseindia.com](http://www.nseindia.com)

\*Arithmetical average of closing prices

4. Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on April 4, 2018. The closing price of the Company's equity share on April 4, 2018 on BSE was Rs. 89.60 and on NSE was Rs. 89.15. The Board, at its meeting held on April 7, 2018, approved the proposal for the Buyback at Rs. 120.00 per share and the intimation was sent to BSE and NSE on the same day. The high and low market prices on April 6, 2018 (being the trading day before the date on which the Board Meeting was held to approve the Buyback) on BSE were Rs. 117.95 and Rs. 102.10 respectively and on NSE were Rs. 114.90 and Rs. 102.10 respectively.

#### 19. STATUTORY APPROVALS

1. The Buyback offer is subject to approvals, if any required, under the provisions of the Act, the Buyback Regulations, FEMA and/or such other acts in force for the time being.
2. The Board at its meeting held on April 7, 2018 approved the proposal for the Buyback.
3. 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. NRIs and erstwhile Overseas Corporate Bodies ("**OCB**") must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such NR, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender equity shares in the buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
4. 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, 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.
5. 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.

#### 20. REGISTRAR TO THE BUYBACK

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



Name : Karvy Computershare Private Limited  
Address : Karvy Selenium Tower B, Plot No 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500 032  
Contact Person : Mr. M. Murali Krishna  
Phone : 040 6716 2222  
Fax: : 040 2343 1551  
Email : smartlinkbuyback@karvy.com

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

## 21. COLLECTION CENTRE

Eligible Shareholders are requested to submit their Form(s) and requisite documents either by registered post/ courier to the Registrar to the Buyback i.e. **Karvy Computershare Private Limited**, superscribing the envelope as **"Smartlink Holdings Buyback Offer 2018"**, or hand deliver the same to the Registrar at the address mentioned in paragraph 20.

## 22. PROCESS AND METHODOLOGY FOR THE BUYBACK

1. The Company proposes to Buyback not exceeding 56,00,000 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. 120/- (Rupees One Hundred and Twenty only) per Equity Share, payable in cash for an aggregate amount not exceeding Rs. 67,20,00,000/- (Rupees Sixty Seven Crores Twenty Lakhs only), (being not more than 25% of the aggregate of the fully paid share capital and free reserves of the Company as per latest audited balance sheet as on March 31, 2017 and March 31, 2018). The maximum number of Equity Shares proposed to be bought back represents 24.83% of the paid-up equity share capital of the Company. The Buyback is in accordance with Article 61 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 Buyback 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 promoters is 16,786,815 Equity Shares, which represents 74.44% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the promoters of a company have the option to participate in the Buyback. In this regard, the promoter and promoter group of the Company have expressed their intention vide their letter dated April 7, 2018, to participate in the Buyback. They may tender upto a maximum of 56,00,000 Equity Shares or such lower number of Equity Shares depending on the response received from the public shareholders in compliance with the Buyback Regulations/terms of Buyback such that his shareholding together with that of other promoters and promoter group in the Company does not fall below 74.44%. 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 promoters will be 1,27,06,552 Equity Shares, representing 74.96% of the post Buyback equity share capital of the Company i.e an increase of 0.52% (rounded-off) from their present holding of 74.44% of the pre Buyback equity share capital of the Company.

## 23. RECORD DATE, RATIO OF BUYBACK AND ENTITLEMENT OF EACH SHAREHOLDER

1. The Buyback Committee at its meeting held on May 4, 2018 approved and fixed May 18, 2018 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.
  - a. 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**")
  - b. As defined in the Buyback Regulations, a "Small Shareholder" is a Shareholder who holds Equity Shares having market value, on the basis of closing price on National Stock Exchange as on Record Date, of not more than Rs. 200,000/- (Rupees Two Lakhs). As on the Record Date, the closing price on National Stock Exchange, having the highest trading volume was Rs. 95.90 per Equity Share, accordingly all Shareholders holding not more than 2,085 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback Offer.
  - c. Based on the above definition, there are 13,506 Small Shareholders with aggregate shareholding of 29,66,652 Shares, as on the Record Date, which constitutes 13.16% of the outstanding paid up equity share capital of the Company and 52.98% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.
    - d. In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 8,40,000 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

56,00,000 Equity Shares which works out to 840,000 Equity Shares; or

- ii. The number of Equity Shares to which the Small Shareholders are entitled, as per their shareholding as on Record Date i.e.  $(29,66,652/2,25,50,000) \times 56,00,000$  which works out to 7,36,730 Equity Shares. All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters also intend to offer Equity Shares held by them in the Buyback.
- e. Accordingly, General Category shall consist of 47,60,000 Equity Shares.
- f. 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	126 Equity Shares out of every 445 fully paid-up Equity Shares held on the Record Date
General Category	219 Equity Shares out of every 901 fully paid-up Equity Shares held on the Record Date

*\*The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 28.3147467245905% and General category for all other Eligible Shareholders is 24.3063647748077%.*

#### 2. 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 3 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.

#### 3. 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 23.3 (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 23.3 (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 Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered 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 23.3 (b), shall be reduced by one.



- d. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 23.3 (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.

#### 4. **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 23.4 (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 Buyback 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 23.4 (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.

#### 5. **Basis of Acceptance of Equity Shares between the two categories**

- a. After acceptances of tenders, as mentioned in paragraph 23.3 and 23.4 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 23.5 (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 23.3.
- c. Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 23.5 (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.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in paragraph 23.

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

- a. 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.
- b. 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.

**7. Clubbing of Entitlement**

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, etc. with a common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories.

**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 the Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to Eligible Shareholders
3. The Eligible Shareholders who have registered their email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholders who have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in paragraph 24.25 below. The Company shall accept all the Equity Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
4. The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such shares. The Company shall comply with Regulation 19(5) of the Buyback 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 such Equity Shares become transferable. The Company shall accept all the Equity Shares validly tendered in the Buyback by the Eligible Shareholders, on the basis of the Buyback entitlement as on the Record Date.

5. Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
6. Eligible Shareholders' participation in Buyback is voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buyback entitlement for any Eligible Shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of the procedure outlined herein.
7. The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
8. The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
9. As elaborated under paragraph 23.1 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for all other Eligible Shareholders. The Buyback Entitlement of Eligible Shareholders in each category shall be calculated accordingly.
10. Post acceptance of the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
11. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circulars and following the procedure prescribed in the Companies Act, the Share Capital Rules and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
12. 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 24. 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: Ms. Naaz Khan,  
Tel: +91 22 3030 5757,  
Email: [Naaz.Khan@kotak.com](mailto:Naaz.Khan@kotak.com)  
Website: [www.kotaksecurities.com](http://www.kotaksecurities.com)  
SEBI Registration No.  
NSE Capital Market: INB230808130;  
BSE Equity: INB010808153  
CIN: U99999MH1994PLC134051

13. The Company will request BSE to provide the separate acquisition window to facilitate placing of sell orders by shareholders who wish to tender Equity Shares in the Buyback. The BSE would be the designated stock exchange for the Buyback ("**Designated Stock Exchange**"). The details of the platform will be specified by Stock Exchanges from time to time.
14. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").
15. In the event Seller Member(s) are not registered with BSE or if the Eligible Shareholder do not have any stock broker then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the Buyback Regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company's Broker viz. Kotak Securities Limited, to bid by using quick UCC facility. The Eligible Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

**In case of Eligible Shareholder being an individual**

**If Eligible Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:**

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

**If Eligible Shareholder is not registered with KRA: Forms required:**

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
  - PAN card copy
  - Address proof
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**In case of Eligible Shareholder is HUF:**

**If Eligible Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:**

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

**If Eligible Shareholder is not registered with KRA: Forms required:**

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - PAN card copy of HUF & KARTA
  - Address proof of HUF & KARTA

- HUF declaration
  - Bank details (cancelled cheque)
  - Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- It may be noted that other than submission of above forms and documents in person verification may be required.

**In case of Eligible Shareholder other than Individual and HUF:**

**If Eligible Shareholder is KRA registered: Form required**

- Know Your Client (KYC) form Documents required (all documents certified true copy)
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

**If Eligible Shareholder is not KRA registered: Forms required:**

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
  - PAN card copy of company/ firm/trust
  - Address proof of company/ firm/trust
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in Paragraph 24.23(a).

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

16. All Eligible Shareholders, through their respective Stock Broker(s) will be eligible and responsible to place orders in the acquisition window. All Eligible Shareholders can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
17. During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective Stock Brokers during normal trading hours of the secondary market.
18. Stock Brokers can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.

19. 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 Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
20. The cumulative quantity tendered shall be made available on websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), throughout the trading session and will be updated at specific intervals during the Tendering Period.
21. All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
22. **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**
  - a) Eligible Shareholders who desire to tender their Equity Shares in the electronic form under Buyback would have to do so through their respective Stock Broker by indicating to their Stock Broker the details of Equity Shares they intend to tender under the Buyback.
  - b) The Stock Broker would be required to place an order/ bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Designated Stock Exchange. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited ("**Clearing Corporation**"), by using the early pay in mechanism of the Depository prior to placing the order/ bid on the platform of the Stock Exchanges by the Stock Broker. For further details, Eligible Shareholders may refer to the circulars issued by the Stock Exchange/ Clearing Corporation.
  - c) The details of the settlement number of the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by the Clearing Corporation.
  - d) For custodian participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order/bid by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours (i.e., 3:30 p.m.) on the last day of the Tendering Period (i.e., the Buyback Closing Date). 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 the custodian again for confirmation.
  - e) Upon placing the bid, the Stock Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.
  - f) Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
    - i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
    - ii. Duly attested death certificate and succession certificate/ legal heirship certificate/court approved scheme of merger/amalgamation for a company, in case any Eligible Shareholder has expired; and
    - iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
  - g) **IN CASE OF DEMAT EQUITY SHARES, SUBMISSION OF TENDER FORM AND TRS IS NOT REQUIRED.** After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Eligible Shareholders holding Equity Shares in demat form have successfully tendered the Equity Shares in the Buyback.
  - h) The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
  - i) The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive credit remittance due to Acceptance of Buyback of shares by the Company

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

- a) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Stock Brokers along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) (i.e., form SH-4) duly filled and signed by the transferors (i.e. by all registered Eligible 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 favour of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, such Eligible 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) Based on the documents mentioned in paragraph 24.23(a) above, the concerned Stock Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Upon placing the bid, the Stock Broker shall provide a TRS generated by the Stock Exchanges' bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- c) After placing the Bid, the Stock Broker of the Eligible Shareholder has to deliver the original share certificate(s) and documents (as mentioned in paragraph 24.23(a) above along with TRS either by registered post or courier or hand delivery to the Registrar (at the address mentioned at paragraph 20 above or the collection centres of the Registrar details of which will be included in the Letter of Offer not later than 2 (two) days from the Buyback Closing Date, by June 28, 2018 (Thursday)). The envelope should be super scribed as "Smartlink Holdings - Buyback". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Stock Broker/ Eligible Shareholder.
- d) Eligible Shareholder holding physical Equity Shares should note that physical Equity Shares will not be Accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- e) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share certificate(s); (iv) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/Registrar of the Company.
- f) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, 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 before Buyback Closing Date.

**24. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with paragraph 19 "DETAILS OF THE STATUTORY APPROVALS"):**

- a) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.

- b) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholder shall 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 non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Seller 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 Equity shares accepted under the Buyback.
- c) 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.

**THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.**

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

- a) **In case the Equity Shares are in dematerialised form:** If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. [www.smartlink.co.in](http://www.smartlink.co.in) or the website of the registrar [www.karvycomputershare.com](http://www.karvycomputershare.com) or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name and 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 Buyback 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 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](http://www.smartlink.co.in). After placing the Bid through Stock Broker, the Stock Broker of the Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 24.23(a) above), reach the Registrar not later than 2 (two) days from the Buyback Closing Date, by June 28, 2018, Thursday (by 5 PM). If the signature(s) of the Eligible 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.

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 BSE 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.

- c) The participation of the Eligible Shareholders in the Buyback is entirely at the discretion of the Equity Shareholders. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback. 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.

## 26. Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- b) The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For demat Equity Shares Accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, such funds will be transferred to the concerned Stock Brokers settlement bank account for onward transfer to such Eligible Shareholders holding Equity Shares in dematerialized form.
- c) In case of certain client types viz. NRI and foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Stock Broker's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchanges and the Clearing Corporation from time to time.
- d) For the Eligible Shareholders holding Equity Shares in physical form, the funds payout would be given to their respective Stock Broker's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- e) The Equity Shares bought back in demat form would be transferred directly to the Company Demat Account provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- f) The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- g) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate Acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares Accepted by the Company are less than the Equity Shares tendered in the Buyback by Equity Shareholders holding Equity Shares in the physical form.
- h) The Company's Broker would also issue a contract note to the Company for the Equity Shares Accepted under the Buyback. If Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Stock Broker for onward transfer to the Eligible Shareholder.
- i) 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

- j) 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.

## 27. Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a) the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b) If there is a name mismatch in the dematerialised account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours June 28, 2018 by 5:00p.m.;
- b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

## 25. NOTE ON TAXATION

**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. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY INCOME - TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

### 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:
    - i. Company
    - ii. Other than Company

## 2. SHARES HELD AS INVESTMENT

- a) For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”) which in turn requires procurement of Tax Residency Certificate (“TRC”).
- b) The taxability as per the provisions of the Income Tax Act is discussed below.
- c) To determine the nature of capital gains as to whether the capital gains are short-term or long-term in nature, as per the provisions of the Income Tax Act:
  - 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.

### **A. Buyback of shares through a recognized stock exchange from 1<sup>st</sup> April 2018-**

- i. 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):
  1. Under section 112A, if the shares were acquired on or after 1<sup>st</sup> February 2018 LTCG arising from transfer would be taxable @ 10% (without indexation) if the total LTCG exceeds Rs. 100,000/- during the FY 2018-19, and provided the shareholder had paid securities transaction tax on acquisition and transfer of the shares. However, if the equity shares were acquired prior to 1<sup>st</sup> February 2018 then the LTCG will be determined by taking the cost of acquisition which is to be the higher of a) actual cost of acquisition of the equity shares, or b) the lower of i) ‘fair market value’ of such equity shares on 31<sup>st</sup> January 2018, or ii) the buyback price.
  2. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.
    - 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.
  3. In addition to the above STCG and LTCG tax, Surcharge, and Health and Education Cess are leviable as under:
    - In case of foreign companies and FIIs: 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. Health and Education Cess @ 4% on Income Tax is leviable in all cases.
    - In case of non-resident individual/HUF/AOP/BOI: Surcharge @ 15% is leviable where the total income exceeds Rs.1 crore and 10% where the total income exceeds Rs. 50 lakhs but less than or

equal to Rs. 1 Crore. Further, Health and Education Cess @ 4% on Income Tax is leviable in all cases.

- In case of other non-resident assesseees (i.e. other than foreign companies/ individuals/HUF/AOP/BOI): Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore. Further, Health and Education Cess @ 4% on Income Tax is leviable in all cases.
- In case of resident individual / HUF/ AOP/ BOI: Surcharge @ 15% is leviable where the total income exceeds Rs.1 crore and 10% where the total income exceeds Rs. 50 lakhs but less than or equal to Rs. 1 Crore. Further, Health and Education Cess @ 4% 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. Further, Health and Education Cess @ 4% on Income Tax is leviable in all cases.
- In case of other resident assesseees (i.e. other than domestic companies/ Individual/ HUF AOP/ BOI): Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore. Also, Health and Education Cess @ 4% 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 Companies having total turnover or gross receipts not exceeding Rs. 250 crores in the FY 2016-17, profits would be taxable @ 25% and for other companies, profits would be taxable @ 30%.
  - iii. For persons other than individuals, HUF, AOP, BOI and Companies profits would be taxable @ 30%.
  - iv. No benefit of indexation by virtue of period of holding would be available in any of the cases discussed above.
  - v. In addition to the above, Surcharge, Health and Education Cess will be levied as per applicable rate as discussed at point no. 2A above.
- c) Non-Resident Shareholders
  - i. For Non-Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA, subject to their procurement of TRC
  - 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 (i.e. other than foreign companies/ individuals/HUF/AOP/BOI), profits would be taxed in India @ 30%

In addition to the above, Surcharge, Education Cess and Higher Education Cess will be levied as per applicable rate as discussed at point no. 2A above.

### 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**

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

The Board made the aforementioned declaration as on the date of passing the board resolution approving the Buyback i.e. April 7, 2018:

- i. The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
- ii. That immediately following the date of the Board Meeting held on Saturday, April 7, 2018 and the date on which the members' resolution by EGM (the "EGM") will be passed, there will be no grounds on which the Company can be found unable to pay its debts;
- iii. That as regards the Company's prospects for the year immediately following the date of the Board meeting held on Saturday, April 7, 2018 as well as the year immediately following the date on which the EGM Resolution will be passed, approving the Buyback and having regards to the Board's intention 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 the date of the Board meeting approving the Buyback or within a period of one year from the date of passing of the EGM Resolution, as the case may be;
- iv. 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 Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

This declaration is made and issued by the Board of Directors in terms of the resolution passed at the meeting held on April 7, 2018.

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

Sd/-

**Kamalaksha Naik**  
**Executive Chairman**  
**DIN: 00002013**

Sd/-

**Krishnanand Gaonkar**  
**Director**  
**DIN: 00002425**

In addition, the Company has also confirmed that it is in compliance with Sections 92, 123, 127 and 129 of the Act.

27. **AUDITOR'S CERTIFICATE**

The text of the Report dated April 07, 2018 received from Sharp & Tannan LLP, Chartered Accountants the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

**Quote**

Ref: CERT/SNSL/18-19/001

To,

The Board of Directors,

**Smartlink Network Systems Limited,**

Unit No. 209, 2nd Floor, B Wing,

215 Atrium Building, Courtyard Marriott Compound,

Andheri - Kurla Road, Andheri (East), Mumbai - 400 093, INDIA

Dear Sirs,

**Re: Proposed Buy-back of Equity Shares**

In connection with the proposed Buy-back of Equity Shares by Smartlink Network Systems Limited (the 'Company') as approved by the Board of Directors at its meeting held on April 07, 2018 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 Buyback 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, 2017 which have been audited by another auditor, Deloitte Haskins & Sells LLP, and approved by the Board of Directors of the Company at their meeting held on 17<sup>th</sup> May, 2017.
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, 2017.

<b>Particulars as on March 31, 2017</b>		<b>Amount (Rs. in crores)</b>
Paid up capital (2,25,50,000 shares of Rs. 2/- each)	A	4.51
Free Reserves:		
Profit and loss account balance		246.09
Securities Premium		27.86
General reserve		55.67
Total Free Reserves	B	329.62
Total paid up capital and free reserves	A+B	334.13
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 Shareholder Approval)		83.53
Maximum amount permitted by Board Resolution dated 07 <sup>th</sup> April, 2018 approving Buyback, subject to shareholder approval, based on the audited financial statements for the year ended March 31, 2017		67.20

3. The Board of Directors of the Company, in their meeting held on April 7, 2018 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 filing 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 of 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.

For **Sharp & Tannan LLP**,  
Chartered Accountants  
(Registration No. 127145W/W100218)

**Darryl Frank**

**Date:** April 07, 2018

**Place:** Mumbai

**Unquote**

Partner  
Membership No. 104096

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 during the tendering Period.

- a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Smartlink Holdings Limited;
- b) Copy of the annual reports of Smartlink Holdings Limited for the year ended March 31, 2015, March 31, 2016 and March 31, 2017;
- c) Copy of the resolution passed by the Board of Directors at the meeting held on April 7, 2018 approving proposal for Buyback;
- d) Copy of Certificate dated April 7, 2018 received from Sharp & Tannan LLP, Chartered Accountants in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- e) Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- f) Copy of Escrow Agreement dated April 23, 2018 between Smartlink Holdings Limited, Kotak Mahindra Bank Limited and Kotak Mahindra Capital Company Limited;
- g) Copy of the certificate from S.P. Bhandare at S.P. Bhandare & Associates dated May 4, 2018 certifying that the Company has adequate funds for the purposes of Buyback of 56,00,000 Equity Shares at the price of Rs. 120/- per Equity Share;
- h) Copy of Public Announcement published in the newspapers on May 7, 2018 regarding Buyback of Equity Shares; and
- i) Copy of SEBI observation letter no. SEBI/HO/CFD/DCR1/OW/P/2018/15769/1 dated May 29, 2018.

29. **INVESTOR SERVICE CENTER AND COMPLIANCE OFFICER**

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

<b>Name</b>	Ms. Urjita Damle
<b>Designation</b>	Company Secretary & Compliance Officer
<b>Address</b>	L-7, Verna Industrial Estate, Verna, Salcete, Goa, 403722
<b>Phone</b>	(0832) 2885400; (0832) 278 3395
<b>Email id</b>	<a href="mailto:Company.Secretary@smartlink.co.in">Company.Secretary@smartlink.co.in</a>

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, except Saturday, Sunday and Public holidays 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, Goa  
Company Law Bhawan, EDC Complex  
Plot No.21, Patto, Panaji, Goa  
Phone No: 0832-2438618/2438617

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 0128  
**Fax** : +91 22 6713 2447  
**Email** : [Project.smartlinkbuyback@kotak.com](mailto:Project.smartlinkbuyback@kotak.com)  
**Contact Person** : Mr. Ganesh Rane  
**SEBI Registration Number** : [INM000008704](#)

32. **DIRECTORS' RESPONSIBILITY STATEMENT**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accepts full responsibility for all the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on April 7, 2018

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

**Kamalaksha Naik**  
**DIN: 00002013**

**Krishnanand Gaonkar**  
**DIN: 00002425**

**Urjita Damle**  
**Company Secretary & Compliance**  
**Officer**

**Date:** June 3, 2018

**Place:** Mumbai