

NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. SMARTLINE NETWORK SYSTEMS LIMITED HELD ON FRIDAY, THE 11TH DAY OF AUGUST, 2015 AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT L-1, VERNA INDUSTRIAL ESTATE, VERNA, SALCOTE, GOA - 403111

The following Directors were present:

1. Mr. E. R. Nalk	-	Executive Chairman
2. Mr. E. M. Chauder	-	Director
3. Mr. Pradeep Poliga	-	Director (Chairman of Audit & Stakeholders Relationship committee)
4. Mr. Pradeep Karm	-	Director
5. Mr. Jagan Dada	-	Director
6. Mr. Anil Nalk	-	Whole Time Director
7. Mr. Bhaskar Patel	-	Director
8. Mr. Pradeep Pooch	-	Director (Chairman of Nominations and Remuneration Committee)

His Attendance:

1. Mr. Datta Dada	-	Company Secretary
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Chief Financial Officer:

1. Mr. Bhaskar Patel	-	Chief Financial Officer
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1. Mr. Ashish Pachu and Mrs. Karuna Dolgado representatives of Minority Investors were present

121 Shareholders were present in person

17 Shareholders were present in Proxy

The Chairman of Audit Committee, Nominations and Remuneration Committee and Stakeholders Relationship Committee were present at the AGM.

Mr. E. R. Nalk, Executive Chairman took the chair.

The Annual General Meeting commenced at 11:00 a.m. The Company Secretary announced that the requisite quorum is present and the formal proceedings of the meeting could commence and thereafter, the Chairman called the meeting to order.

The Chairman welcomed the Members to the 22nd Annual General Meeting. The Chairman also informed that, the company received total 3 proxies representing 31,064 Equity Shares. He also informed that the proxies considered as these received upto 11:00 a.m. on 12th August, 2015 i.e. 48 hours before the meeting.

The Statutory Registers viz, register of Directors and Key Managerial Personnel, Charge Register, Register of Contracts with Related Parties, Secretarial Audit Report were open for inspection till the closure.

The Chairman read out the speech and briefed about the performance of the Company during the last financial year and the way forward.

With the permission of the Members, the Notice concerning the Annual General Meeting and the Annual report which was already circulated was taken as read with the PC-confirmation of the Shareholders.

The Company Secretary, Mr. Ujjwal Dandia read the Auditors' Report on the Financial Statements of the Company for the year ended 31st March 2015.

The Chairman informed the Shareholders that as per Section 109 of the Companies Act, 2013 and Rule 21 of the Companies (Management and Administration) Rule, 2014 a Poll Process has to be conducted in respect of all the resolutions proposed before the voting for all the resolutions will be taken up at the end after all the individual resolutions are proposed and seconded.

The Meeting thereafter proceeded to transact the scheduled Ordinary Business as per the agenda of the Meeting.

ITEM NO. 1: ADOPTION OF ACCOUNTS

The Chairman placed before the members the Audited Annual Accounts together with the schedules and other relevant information consisting of Statement of Profit and Loss for the year ended 31st March, 2015 and Balance Sheet as on that date together with Notes thereto and the Auditors' Report and Directors' Report attached thereto for their adoption and approval.

In this respect a resolution was put forward by the Chairman and accordingly Mr. Sameer Bakshiwar proposed the following resolution to be passed as an ordinary resolution:

"RESOLVED THAT the audited Balance Sheet of the Company as at 31st March, 2015 and the Statement of Profit and Loss for the financial year ended on that date and notes thereon together with the Reports of Auditors and Directors thereon submitted to this meeting be and are hereby approved and adopted."

The above resolution was seconded by Mr. Rishi D'costa.

ITEM NO. 2: DECLARATION OF DIVIDEND

The Chairman placed before the members the matter concerning declaration of Dividend for the year ended 31st March, 2015 for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Mr. Prashant Nayak proposed the following resolution to be passed as an ordinary resolution:

"RESOLVED THAT Dividend of Rs. 15/- per Equity Share on the paid-up share capital of the Company for the year ended 31st March, 2015 be and is hereby confirmed and approved and Dividend be distributed amongst the Equity Shareholders whose names appear in the Register of Members of the Company as on date of book closure."

The above resolution was seconded by Mr. Kalpal Arora and was passed by the requisite majority.

ITEM NO. 3 RE-APPOINTMENT OF DIRECTOR

The Chairman placed before the Members the matter concerning reappointment of Mr. Pradyep Kaur for their consideration and approval. He informed the members that Mr. Pradyep Kaur has been serving as a Director of this Company since 26th December, 2006. He is a commerce graduate and is about 32 years of experience in Sales and Marketing and overall Business Management in the pharmaceuticals industry and his contribution has been of great value to the Company.

In this respect a resolution was put forward by the Chairman and accordingly, Mr. Arvind Dhall approved the following resolution to be passed as an ordinary resolution:

RESOLVED THAT Mr. Pradyep Kaur (holding DIN 00440213) who retires by rotation and being eligible offers himself for re-appointment be and is hereby appointed as a Director of the Company."

The above resolution was seconded by Mr. Bhavesh Rana.

ITEM NO. 4 RATIFICATION OF APPOINTMENT OF AUDITORS

The Chairman placed before the Members the matter concerning ratification of appointment of M/s. Hoshia Hoshia & Sells LLP, Chartered Accountants for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Mr. Balraj Dhall proposed the following resolution to be passed as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 189 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Deloitte Hoshia & Sells LLP, Chartered Accountants (Registration No. 11736699W/200018) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twenty Third AGM of the Company to be held in the year 2018 and the Board of Directors be and are hereby authorized to do such remuneration."

The above resolution was seconded by Mr. Jyoti Bhatia.

The Chairman thereafter proceeded to transact the scheduled Special Business as per agenda of the Meeting.

ITEM NO. 5 APPOINTMENT OF MR. BHANUBHAI PATEL AS AN INDEPENDENT DIRECTOR

The Chairman placed before the Members the matter concerning appointment of Mr. Bhanubhai Patel for their consideration and approval. The Chairman informed the members that Mr. Bhanubhai Patel (holding DIN 00231115), was proposed to be appointed as an Independent Director of the Company to hold office for a term of five years upto 06th September, 2019 who was appointed as an Additional Director upto the date of this Annual General Meeting. He informed the

members that Mr. Bhansilal Patel is a Member of the Institute of Chartered Accountants of India and presently holding the position of Joint Managing Director in Guribhai Trusts Private Pvt. Ltd.

In this respect a resolution was put forward by the Chairman and accordingly Mr. Prashant Deshpande proposed the following resolution to be passed as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Bhansilal Patel (holding DIN 00023111), who was appointed as an Additional Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, he and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto 08th September, 2020."

The above resolution was seconded by Mr. Vinodhan Parasiani.

ITEM NO. 6: APPOINTMENT OF MR. PRADHOP PANDI AS AN INDEPENDENT DIRECTOR

The Chairman placed before the Members the matter concerning appointment of Mr. Pradhop Pandi in their consideration and approval. The Chairman informed the shareholders that Mr. Pradhop Pandi (holding DIN 00084518), who was proposed to be to be appointed as an Independent Director of the Company to hold office for a term of five years upto 04th January, 2020 who was appointed as an Additional Director upto the date of this Annual General Meeting. He also informed the members that Mr. Pradhop Pandi possesses Bachelor's degree in Science and Engineering, Law (LL.B), Master degree in Labour Studies. He has vast experience in Human Resource Management.

In this respect a resolution was put forward by the Chairman and accordingly, Mrs. P-Maheshi Pandi proposed the following resolution to be passed as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Pradhop Pandi (holding DIN 00084518), who was appointed as an Additional Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, he and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto 04th January, 2020."

The above resolution was seconded by Mr. Rajesh Prabhu.

ITEM NO. 7: ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

The Chairman placed before the members the matter concerning the alteration of Articles of Association (AOA) and Draft AOA of the Company for their consideration and approval. He also informed that the Articles of Association was made available for inspection of the members and was also uploaded on the website of the Company.

In this respect a resolution was put forward by the Chairman and accordingly, Mr. Jitendra Rodrigues proposed the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any amendments thereto), the Articles of Association of the Company be and are hereby altered by replacing all the existing regulations as per the draft regulations contained in the Notice of Association submitted to this meeting and the same be and is hereby approved and adopted as new regulations of the Articles of Association of the Company to the exclusive exclusion of Regulations contained in the existing Articles of Association of the Company."

The above resolution was seconded by Mr. Jitraj Bhatia.

Being an interested Director in the resolution in Item Nos. 3, 4 & 10 of the notice, Mr. K. R. Shah vacated the chair and requested Mr. K. M. Gaudkar to Chair the meeting and carry forward the proceedings to transact Item Nos. 3, 4 & 10 of the Notice.

ITEM NO. 6: APPOINTMENT OF MS. ARATI NAIK AS A DIRECTOR OF THE COMPANY

The Chairman Mr. K. M. Gaudkar proceeded to transact the next item of the Agenda. The Chairman informed the members that Ms. Arati Naik (holding DIN 00085082), who is proposed to be D is appointed as a Director of the Company who was appointed as an Additional Director upto the date of this Annual General Meeting. The Chairman also informed the members that Ms. Arati Naik is BE (Electrical) in Computing Technology and MSc (Finance) in Business Information Systems from University of Bolton, United Kingdom.

In this respect a resolution was put forward by the Chairman and accordingly, Mr. Nigal Fernandes proposed the following resolution to be passed as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152 and 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or amendments thereof) for the time being in force: Ms. Arati Naik (holding DIN 00085082), who was appointed as an Additional Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director (able retiree by rotation."

The above resolution was seconded by Mr. Pritesh Phadnis.

ITEM NO. 9: APPOINTMENT OF MS. ARATI NAIK AS A WHOLE TIME DIRECTOR AND RATIFICATION OF SALARY PAID TO HER

The Chairman placed before the members the matter concerning appointment of Ms. Arati Naik (holding DIN 00085082), as a Whole Time Director designated as Chief Operating Officer of the Company for a period of three years with effect from 08th September, 2014 who was appointed as an Additional Director upto the date of this Annual General Meeting for their consideration and approval.

In this respect a resolution was put forward by the Chairman and accordingly, Mr. Rajesh Pradhan proposed the following resolution to be passed as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) for the time being in force) read with Schedule V to the Companies Act, 2013 and subject to the explicit approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the appointment of Mr. Anil Malik as a Whole Time Director designated as Chief Operating Officer of the Company for a period of three years with effect from 09th September, 2014 on the terms and conditions including remuneration set out in the Statement of material facts annexed to the Notice convening this Meeting, with liberty and power of the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nominations and Remuneration Committee of the Board) in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the cap not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

LESS4-YED FURTHER THAT, the consent of the Company be and is hereby accorded to ratify its remuneration paid to Mr. Anil Malik as a Whole Time Director designated as Chief Operating Officer of the Company for a period from 09th September, 2014 upto 31st March, 2015 as set out in the Statement of material facts annexed to the Notice convening this Meeting."

The above resolution was seconded by Mr. Nigdi Fernandes.

ITEM NO. 16: REVISION OF THE SALARY PAYABLE TO MR. ARATI NAIK

The Chairman placed before the members matter concerning revision of the salary payable to Mr. Arati Naik for a period from 01st April, 2015 upto 09th September, 2017 for their consideration and approval.

In this respect a resolution was put forward by the Chairman and accordingly, Mr. Rajesh Pradhan proposed the following resolution to be passed as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) for the time being in force) read with Schedule V to the Companies Act, 2013 and subject to the explicit approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to revise, ratify and approve the terms and conditions including remuneration payable to Mr. Arati Naik as a Whole time Director designated as Chief Operating Officer of the Company for a period from 01st April, 2015 upto 09th September, 2017 on the terms and conditions including remuneration as set out in the Statement of material facts annexed to the Notice convening this Meeting, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nominations and Remuneration Committee of the Board, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not

extending the limits specified under Schedule V to the Companies Act, 2013 in any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of absence of or inadequacy of profit in any financial year during the tenure of the Whole Time Director the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

The above resolution was seconded by Mr. Saravali Balkrishnan.

Chairman Mr. K. Jai. Gounder handed over the proceedings back to Mr. K. R. Malik.

After all the resolutions were proposed and seconded the Chairman invited queries from the shareholders. One of the shareholders enquired about the future prospects of the Company especially in the areas of CCTV cameras and also pointed out the issues and BIP Nefertiti. Mr. Anant Malik explained in detail the steps being taken by the company in increasing the Company's share in the CCTV market. She also informed about the company's focus on Bioner and low-costed products to tap the Digital India initiatives. She also informed that some of the items are manufactured at the factory in Goa and it helps the Company to have price advantage and also better quality control over the Competitors. The Chairman, Mr. K.R. Malik also informed that the Company had stopped sale of motherboard under Digilin brand due to low margins. Another shareholder enquired about the decrease in employee costs. Mr. Anant Malik informed that the decrease was more due to restructuring of manpower in various businesses of the Company. All the questions were addressed by the Chairman and Mr. Anant Malik, Whole Time Director designated as Chief Operating Officer.

After all the queries were duly addressed the Chairman announced to proceed for the Poll and appointed Mr. Shrinivas Bhut, a Company Secretary in Practice as a Scrutinizer. He also made a mention to the members that he is a shareholder of the Company and an independent professional but not in employment of the Company.

Further the Chairman requested the Company Secretary to explain the Poll process to the shareholders.

The Company Secretary informed the members that pursuant to the provisions of Section 104 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company had extended the e-voting facility to the members of the Company in respect of the businesses to be transacted at the Annual General Meeting which commenced at 10:00 a.m. on 18th August, 2015 and ended at 06:00 p.m. on 19th August, 2015 for which Mr. Shrinivas Bhut, a Company Secretary in Practice was appointed as the Scrutinizer for the e-voting process.

The Company Secretary also informed that the members who had not participated in the e-voting and were present at the Meeting would get an opportunity to cast their vote by poll. The Scrutinizer looked the Ballot Box after showing the empty Ballot Box to the members. The members

participated in the Ballot and after the ballot was declared as closed the Scrutiniser looked the ballot up.

The poll process was concluded.

NOTE ON TRANSMISSION

The meeting concluded at 12.30 P.M. with a vote of thanks by Mr. Ujjain Dandia, Company Secretary to the Directors, Scrutiniser and the Shareholders present at the meeting.

The Scrutiniser report on E-voting and the poll conducted at the meeting was retransmitted in the form of the Company on the same day i.e. on 14th August, 2013.

The brief report on e-voting and voting at the AGM (Poll) and summary of the Scrutiniser's report appears below:

1. The Company has extended the facility of e-voting to the shareholders by tying up with the Karvy Computershare Private Limited ("Karvy") e-voting facility.
2. The e-voting remained open for the period commencing from Monday, 19th August, 2013, 10:00 A.M. to Thursday, 17th August, 2013, 03:00 P.M.
3. Thereafter, using the scrutineer's login on the Karvy e-voting website, the votes cast through remote e-voting was uploaded and were scrutinised in presence of two witnesses Mr. Pooja Alexander and Mr. Shradha Prabhakar who were not in the employment of the company.
4. At the Annual General Meeting, after the time fixed for closing of the poll by the Chairman, one ballot box that was kept for polling was locked in Scrutiniser's presence with due identification marks placed by him.
5. The locked ballot box was subsequently opened in Scrutiniser's presence and poll papers were scrutinised. The poll papers were reconciled with the records maintained by the Company and the authentications / proxies lodged with the Company.
6. The poll papers which were incomplete and/or which were otherwise found defective were treated as invalid and kept separately.

The result of the voting i.e. e-voting and voting at the AGM (poll) is as under:

S. No.	Voted in favour of the resolution					Voted against the resolution					Invalid vote	
	Number of members voting through E-voting	Number of votes cast by them	These votes are by proxy or not	These votes are by E-voting	% of total number of valid votes cast	Number of members voting through E-voting	These votes are by proxy or by power of AGM	Number of votes cast by them	These votes are by proxy or by power of AGM	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of votes cast by them
1	32	3	00000000	100.00	100	32	00	00	00	00	0	64
2	32	3	00000000	100.00	100	32	00	00	00	00	0	64
3	32	3	00000000	100.00	100	32	00	00	00	00	0	64
4	32	3	00000000	100.00	100	32	00	00	00	00	0	64
5	32	3	00000000	100.00	100	32	00	00	00	00	0	64

1	12	1	2007-004	20074	100	100	100	100	100	100	1	100
2	13	2	2007-005	20075	100	100	100	100	100	100	2	200
3	14	3	2007-006	20076	100	100	100	100	100	100	3	300
4	15	4	2007-007	20077	100	100	100	100	100	100	4	400
5	16	5	2007-008	20078	100	100	100	100	100	100	5	500
6	17	6	2007-009	20079	100	100	100	100	100	100	6	600
7	18	7	2007-010	20080	100	100	100	100	100	100	7	700

For SMARTLINE NETWORK SYSTEMS LIMITED



BRITTA DABEK
COMPANY SECRETARY

Date: 17th September, 2013

(over Mumbai)