

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF
SMARTLINK NETWORK SYSTEMS LIMITED

This Public Announcement (the “Public Announcement”) is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the “Buy-back Regulations”) for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buy-back Regulations.

OFFER FOR BUYBACK OF 7,454,850 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 2/- EACH (“EQUITY SHARES”) AT A PRICE OF ₹ 110/- (RUPEES ONE HUNDRED AND TEN ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1 THE BUYBACK OFFER

- 1.1. The Board of Directors (“**Board**”) of Smartlink Network Systems Limited (“**Smartlink**” or “the **Company**”), at its meeting held on 29th February, 2016 (“**Board Meeting**”) approved the proposal for the buyback of up to 7,454,850 Equity Shares aggregating up to 24.85% of the fully paid up equity share capital of the Company at a price of ₹ 110/- (Rupees One Hundred and Ten only) per Equity Share (“**Buyback Price**”) payable in cash for an amount aggregating up to ₹ 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only) (“**Buyback Size**”), (being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest standalone audited balance sheet as on March 31, 2015) from the shareholders (“**Shareholders**”) of the Company on a proportionate basis through a tender offer in accordance with the provision of the Companies Act, 2013 (“**Companies Act**”) and, the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) and in compliance with the Buy-back Regulations (“**Buyback**” or “**Buyback Offer**”). The Board at its meeting approved the Postal Ballot Notice dated 29th February, 2016 (“**Postal Ballot Notice**”), to the Shareholders of the Company to seek their approval for the Buyback, by a special resolution. The Shareholders of the Company approved the Buyback of the Company’s fully paid-up Equity Shares from the existing shareholders/beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 62 of the Articles of Association of the Company and in accordance with provisions of the Companies, the Share Capital, the Management Rules and the Buy-back Regulations, by way of a special resolution, through the postal ballot (“**Postal Ballot**”), the results of which were announced on 14th April, 2016 (“**Shareholders’ Approval**”). The Buyback Price per Equity Share and the Buyback Size do not include transaction costs including brokerage costs, securities transaction taxes, service tax, and stamp duty (“**Transaction Costs**”). The Buyback is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India (“**SEBI**”), and the stock exchanges on which the Equity Shares are listed, namely, the National Stock Exchange of India Limited (“**NSE**”), the BSE Limited (“**BSE**”) (together with NSE the “**Stock Exchanges**”).
- 1.2. The Buyback shall be undertaken on a proportionate basis from the Shareholders as of April 29, 2016 (the “**Record Date**”) through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-Back Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 (the “**SEBI Circular**”).
- 1.3. In terms of the Buy-back Regulations, under tender offer route, the promoter and promoter group have the option to participate in the Buyback. In this regard, promoter and promoter group have informed the Company vide their letter dated 29th February, 2016 regarding their intention to participate in the Buyback. The extent of their participation in the Buyback has been detailed in clause 5.4 of this announcement.
- 1.4. The Buyback Offer price of ₹ 110/- (Rupees One Hundred and Ten only) per Equity Share represents (i) a premium of 14.7% and 16.8% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and (ii) a premium of 33.9% and 35.3% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- 1.5. The aggregate paid-up share capital and free reserves of the Company as on March 31, 2015 was ₹ 406.69 crores and under the provisions of the Act, the funds deployed for Buyback shall not exceed 25% of the paid-up capital and free reserves of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilised in the present Buyback is ₹ 101.67 crores. The aggregate amount proposed to be utilised for the Buyback is ₹ 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only), which is within the maximum amount as aforesaid.
- 1.6. Further, under the Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 7,501,212 equity shares being 25% of 30,004,850 equity shares of face value of ₹ 2/- each. Since the Company proposes to buyback up to 7,454,850 equity shares, the same is within the aforesaid 25% limit.
- 1.7. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoter and promoter group in the Company may increase over the existing 74.49% holding in the total equity capital and voting rights of the Company. The promoter and promoter group of the Company are already in control over the Company and therefore such further increase in voting rights of the promoter group will not result in any change in control over the Company. The promoter and promoter group have undertaken that in case there is an increase in voting rights of the promoter and promoter group beyond 75%, necessary steps will be taken to reduce the shareholding of the promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding requirement. The Company and the promoter and promoter group have undertaken to comply with the Minimum Public Shareholding requirements even after the Buyback. Further, the promoter and promoter group confirm that they have not voted in favour of the board resolution and the shareholder resolution authorizing the Buyback under sections 68, 69 and 70 of the Companies Act.
- 1.8. A copy of this Public Announcement is expected to be available on the Securities and Exchange Board of India (“**SEBI**”) website www.sebi.gov.in during the period of the Buyback

2 NECESSITY AND BASIS FOR BUYBACK

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the Members holding equity shares of the Company. The Board at its meeting held on 29th February, 2016, considered the increase in accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ending March 31, 2015 and considering these, the Board decided to allocate a sum of ₹ 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only) for distributing to the Members holding equity shares of the Company through the Buyback. After considering several factors and benefits to the Members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 7,454,850 (Seventy Four Lacs Fifty Four Thousand Eight Hundred and Fifty only) equity shares (representing 24.85% of the total number of equity shares in the paid-up equity share capital of the Company) at a price of ₹ 110/- (Rupees One Hundred and Ten only) per equity share for an aggregate consideration of ₹ 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only). Buyback is a more efficient form of distributing surplus cash to the Members holding equity shares of the Company, *inter-alia*, for the following reasons:

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

3 MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required under the Buyback shall aggregate up to ₹ 820,033,500/- (Rupees Eighty Two Crores Thirty Three Thousand and Five Hundred only), the total amount being less than 25% of the aggregate of fully paid-up Equity Share capital and free reserves of the Company for the financial year ended March 31, 2015

4 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES

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

5 DETAILS OF PROMOTER SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

- 5.1. The aggregate shareholding of the promoter group who are in control of the Company is as under:

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

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

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

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

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

*Excluding Brokerage and other transaction costs

- 5.4. In terms of the Buy-back Regulations, under the Tender Offer route, the promoter and promoter group of the Company have the option to participate in the Buyback. In this regard, the promoter and promoter group as listed in paragraph 1.3 above have expressed their intention vide their letter dated 29th February, 2016, to participate in the Buyback and offer up to an aggregate maximum number of 7,454,850 Equity Shares as mentioned below or such lower number of shares as required in compliance with the Buy-back Regulations/terms of the Buyback.

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

KAMALAKSHA RAMA NAIK				
Date	No. of Shares*	Nominal Value	Issue Price/ Transfer Price	Consideration
31.03.1993	500	1,000	2.0	Cash
09.01.1995	500,000	1,000,000	2.0	Cash
22.05.1995	2,369,200	4,738,400	2.0	Cash
04.02.1999	250,000	500,000	2.0	Cash
13.03.1999	250,000	500,000	2.0	Cash
11.02.2000	1,750,000	3,500,000	2.0	Cash
22.09.2000	500	1,000	2.0	Cash
11.03.2003	37,800	75,600	52.4	Open Market
12.03.2003	55,231	110,462	54.6	Open Market
13.03.2003	26,920	53,840	53.7	Open Market
17.03.2003	16,025	32,050	52.4	Open Market
19.03.2003	19,027	38,054	53.2	Open Market
20.03.2003	5,950	11,900	53.1	Open Market
28.03.2003	1,200	2,400	53.0	Open Market
12.09.2003	42,142	84,284	94.8	Open Market
15.09.2003	136,258	272,516	93.2	Open Market
18.08.2004	14,240	28,480	104.7	Open Market
07.07.2009	7,634,698	15,269,396	NIL	Demerger
21.01.2010	90,486	180,972	51.9	Open Market
22.01.2010	39,514	79,028	50.8	Open Market
27.01.2010	70,000	140,000	49.5	Open Market
14.05.2010	137,000	274,000	50.0	Open Market
18.05.2010	6,249	12,498	48.4	Open Market
19.05.2010	23,000	46,000	48.3	Open Market
20.05.2010	6,701	13,402	48.7	Open Market
24.05.2010	13,269	26,538	48.8	Open Market
25.05.2010	5,332	10,664	46.4	Open Market
31.05.2010	4,000	8,000	48.8	Open Market
01.06.2010	12,597	25,194	48.4	Open Market
03.06.2010	8,000	16,000	48.7	Open Market
04.06.2010	87,600	175,200	49.1	Open Market
07.06.2010	107,000	214,000	49.1	Open Market
08.06.2010	66,000	132,000	49.0	Open Market
09.06.2010	53,400	106,800	48.9	Open Market
15.06.2010	2,772	5,544	49.8	Open Market
22.06.2010	1,734	3,468	52.0	Open Market
23.06.2010	88,750	177,500	54.6	Open Market
24.06.2010	84,224	168,448	54.8	Open Market
25.06.2010	81,051	162,102	54.6	Open Market
29.06.2010	67,964	135,928	53.2	Open Market
30.06.2010	4,720	9,440	51.4	Open Market
29.07.2010	2,276	4,552	51.3	Open Market
30.07.2010	14,825	29,650	51.1	Open Market
02.08.2010	9,690	19,380	51.2	Open Market
03.08.2010	3,000	6,000	51.2	Open Market
04.08.2010	1,204	2,408	51.2	Open Market
05.08.2010	5,510	11,020	51.1	Open Market
06.08.2010	53,691	107,382	51.8	Open Market
09.08.2010	100	200	52.0	Open Market
10.08.2010	3,462	6,924	52.1	Open Market
11.08.2010	40,167	80,334	51.6	Open Market
12.08.2010	36,495	72,990	51.2	Open Market
13.08.2010	1,215	2,430	51.2	Open Market
02.09.2010	20,064	40,128	61.5	Open Market
03.09.2010	29,124	58,248	61.5	Open Market
06.09.2010	5,704	11,408	64.5	Open Market
07.09.2010	32,316	64,632	64.3	Open Market
08.09.2010	10,544	21,088	64.5	Open Market
16.09.2010	12,117	24,234	74.3	Open Market
17.09.2010	3,799	7,598	74.1	Open Market
27.09.2010	1,818	3,636	74.2	Open Market
20.12.2011	6,175	12,350	48.0	Open Market
21.12.2011	18,504	37,008	48.6	Open Market
22.12.2011	2,582	5,164	49.8	Open Market
23.12.2011	7,720	15,440	50.8	Open Market
26.12.2011	193,950	387,900	51.7	Open Market
28.12.2011	605,760	1,211,520	53.0	Open Market
29.12.2011	353,007	706,014	52.8	Open Market
04.12.2012	14,120	28,240	52.3	Open Market
15.12.2012	1,500	3,000	49.0	Transfer of Shares
28.12.2012	1,500	3,000	49.0	Transfer of Shares
Total	15,662,993			
Maximum Equity Shares intended to be tendered			Up to 5,224,262	

*Adjusted for stock split

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

04.12.2012	27,341	54,682	52.3	Open Market
05.12.2012	4,729	9,458	52.3	Open Market
06.12.2012	1,013	2,026	52.2	Open Market
17.12.2012	4,845	9,690	52.7	Open Market
21.12.2012	8,260	16,520	52.3	Open Market
24.12.2012	11,959	23,918	52.8	Open Market
27.12.2012	11,742	23,484	54.4	Open Market
28.12.2012	17,084	34,168	53.9	Open Market
31.12.2012	158,335	316,670	57.5	Open Market
07.02.2013	11,208	22,416	55.2	Open Market
08.02.2013	1,546	3,092	54.9	Open Market
11.02.2013	2,575	5,150	55.0	Open Market
13.02.2013	6,973	13,946	54.5	Open Market
14.02.2013	4,945	9,890	54.8	Open Market
15.02.2013	16,955	33,910	54.9	Open Market
18.02.2013	5,403	10,806	54.9	Open Market
19.02.2013	3,494	6,988	54.9	Open Market
20.02.2013	653	1,306	55.0	Open Market
21.02.2013	2,468	4,936	55.7	Open Market
22.02.2013	4,495	8,990	55.8	Open Market
26.02.2013	3,182	6,364	55.6	Open Market
27.02.2013	2,430	4,860	56.6	Open Market
28.02.2013	4,384	8,768	56.1	Open Market
01.03.2013	4,017	8,034	56.5	Open Market
04.03.2013	8,180	16,360	56.3	Open Market
05.03.2013	2,370	4,740	56.2	Open Market
06.03.2013	2,050	4,100	56.6	Open Market
07.03.2013	2,387	4,774	56.8	Open Market
08.03.2013	4,897	9,794	56.5	Open Market
11.03.2013	7,411	14,822	56.6	Open Market
12.03.2013	227	454	57.2	Open Market
13.03.2013	57,315	114,630	59.7	Open Market
14.03.2013	3,952	7,904	59.4	Open Market
15.03.2013	5,279	10,558	58.4	Open Market
Total	3,013,528			
Maximum Equity Shares intended to be tendered				Up to 1,005,137

- of the board meeting approving the Buyback or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;
- iii. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act.
- 8 The text of the Report dated 29th February, 2016 received from Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

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

Dear Sirs,

Re: Proposed Buy-back of Equity Shares

In connection with the proposed Buyback of Equity Shares by Smartlink Network Systems Limited (the ‘Company’) as approved by the Board of Directors at its meeting held on February 29, 2016, in pursuance of the provisions of Section 68 of the Companies Act, 2013 (“the **Act**”) and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (the “**SEBI 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, 2015 which has been approved by the Board of Directors of the Company.
2. The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2015.

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

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

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

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

Date : February 29, 2016
Place : Mumbai

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

Abhijit A. Damle
Partner
(Membership No. 102912)

Unquote

- 9 As required under the Act, the ratio of the debt owed by the Company would not be more than twice the share capital and free reserves after the Buyback.

10 RECORD DATE AND SHAREHOLDER ENTITLEMENT

- 10.1 As required under the Buy-back Regulations, the Company has fixed April 29, 2016 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company shall be divided into two categories; (a) reserved category for small shareholders and (b) general category for all other Shareholders.
- 10.2 As defined in the Buy-back Regulations, a “Small Shareholder” is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on Record Date), of not more than ₹ 200,000/- (Rupees Two Lacs only).
- 10.3 In accordance with Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- 10.4 On the basis of the shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.
- 10.5 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.

- 10.6 Shareholders’ participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full and get cash in lieu of Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their entitlement. Shareholders 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 Shareholders, if any.
- 10.7 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.
- 10.8 The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations.
- 10.9 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Shareholders as on the Record Date.

11 PROCESS AND METHODOLOGY FOR BUYBACK

- 11.1 The Buyback is open to all Shareholders/beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date.
- 11.2 The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular (“**Stock Exchange Mechanism**”) and following the procedure prescribed in the Companies Act and the Buy-back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 11.3 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 11.6. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders. The contact details of the Company’s Broker are as follows:



KOTAK SECURITIES LIMITED

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

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

- 11.4 NSE has been appointed as the designated stock exchange to provide the separate acquisition window (“**Acquisition Window**”) to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback.
- 11.5 During the tendering period, the order for selling Equity Shares will be placed by eligible Shareholders through their respective stock brokers (“**Seller Member(s)**”) during normal trading hours of the secondary market. The stock brokers can enter orders for demat shares as well as physical shares.
- 11.6 **Procedure to be followed by Shareholders holding Equity Shares in the dematerialised form:**

- 11.6.1 Shareholders who desire to tender their Equity Shares in the dematerialized form under Buyback would have to do so through their respective Seller Member by indicating to them the details of Equity Shares they intend to tender under the Buyback.
- 11.6.2 The Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. (“**Clearing Corporation**”) for the transfer of the Equity Shares to the special account of the Clearing Corporation specifically created for the purpose of Buyback (“**Special Account**”). This shall be validated at the time of order/bid entry.
- 11.6.3 The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by NSE or Clearing Corporation.
- 11.6.4 For Custodian Participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation.
- 11.6.5 Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

- 11.7 **Procedure to be followed by Registered Shareholders holding Equity Shares in the Physical form:**

- 11.7.1 Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member 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) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the shareholder’s PAN Card, (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 the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- 11.7.2 Based on these documents, the concerned Seller Member shall place the bid on behalf of Shareholders holding Equity Shares in physical form using the Acquisition Window of NSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- 11.7.3 The Seller Member/Shareholder has to deliver the original share certificate(s) & documents (as mentioned in Paragraph 11.7.1 above) along with TRS either by registered post or courier or hand delivery to the Registrar and Transfer Agent (“**RTA**”) (at the address mentioned at paragraph 15 below or the collection centres of the RTA details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller Member. The envelope should be superscribed as “Smartlink Buyback Offer 2016”. One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member/Shareholder.

- 11.7.4 Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the NSE shall display such bids as ‘Unconfirmed Physical Bids’. Once, RTA confirms the bids it will be treated as ‘Confirmed Bids’

- 11.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback.
- 11.9 The cumulative quantity tendered shall be made available on NSE’s website - www.nseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

12 METHOD OF SETTLEMENT

- 12.1 Upon finalization of the basis of acceptance as per Buy-back Regulations:
- 12.1.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 12.1.2 The Company will pay the consideration to the Company’s Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member will receive funds payout in their settlement bank account.
- 12.1.3 The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (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 Exchange.
- 12.1.4 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the Selling Member by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Shareholders directly by RTA.
- 12.1.5 The Seller Member would issue contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 12.1.6 Shareholders who intend to participate in the Buyback should consult their respective Seller Member 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 Member, 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.

- 13 The Equity Shares lying to the credit of the Company Demat 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 Buy-back Regulations.

14 INVESTOR SERVICE CENTRE AND COMPLIANCE OFFICER

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

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

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

15 REGISTRARS TO THE BUYBACK

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

Name : M/s Karvy Computershare Private Limited
Address : Karvy Selenium, Tower B, Plot number 31 & 32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032

Contact Person : Mr. M. Muralikrishna
Phone : +91- 40 - 6716 2222
Fax : +91- 40 - 2343 1551
Email : murali.m@karvy.com

In case of any query, the Shareholders may contact the Registrar, 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.

16 MANAGER TO THE BUYBACK

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

KOTAK MAHINDRA CAPITAL COMPANY LIMITED

 **Address:** 27 BKC, 1st floor, Plot no. C-27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Phone: +91-22-4336-0000; **Fax:** +91-22-6713-2447
Contact Person: Mr. Ganesh Rane
Email: project.smartbuyback@kotak.com

17 DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Regulation 19(1)(a) of the Buy-Back Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement.

For and on behalf of the Board of Directors of Smartlink Network Systems Limited		
Sdl/-	Sdl/-	Sdl/-
Kamalaksha Naik	K. M. Gaonkar	Urjita Damle
Executive Chairman	Director	Company Secretary

Date : April 20, 2016
Place : Mumbai