

# Deloitte Haskins & Sells LLP

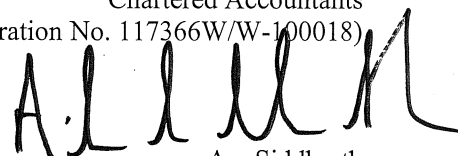
Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

## INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SMARTLINK NETWORK SYSTEMS LIMITED

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SMARTLINK NETWORK SYSTEMS LIMITED** ("the Company") for the Quarter and Nine Months ended 31<sup>st</sup> December, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months ended 31<sup>st</sup> December, 2014 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



A. Siddharth  
Partner

(Membership No. 31467)

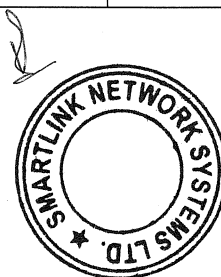
MUMBAI, January 30, 2015

## Smartlink Network Systems Limited

Registered office : Plot No. L-7, Verna Industrial Estate , Verna, Goa - 403 722

CIN: L30007GA1993PLC001341

PART I							
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2014							
							(Rs. In lakh)
Sr. No.	Particulars	3 months ended 31.12.2014 (Unaudited)	Preceding 3 months ended 30.09.2014 (Unaudited)	Corresponding 3 months ended 31.12.2013 in the previous year (Unaudited)	Year to date figures for current period ended 31.12.2014 (Unaudited)	Year to date figures for previous period ended 31.12.2013 (Unaudited)	Previous year ended 31.03.2014 (Audited)
<b>1</b>	<b>Income from Operations</b>						
	a) Net sales / Income from Operations (net of excise duty)	1,820.08	3,069.31	3,688.04	7,604.97	12,005.73	14,961.52
	b) Other Operating Income	-	-	0.02	-	0.33	23.03
	<b>Total income from operations (net)</b>	<b>1,820.08</b>	<b>3,069.31</b>	<b>3,688.06</b>	<b>7,604.97</b>	<b>12,006.06</b>	<b>14,984.55</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed	196.17	609.52	882.92	1,346.55	2,318.00	2,942.33
	b) Purchase of traded goods	1,623.74	1,343.84	2,032.17	4,006.72	7,755.59	10,173.81
	c) Changes in inventories of finished goods, work-in-progress and traded goods	(281.57)	495.10	12.64	824.43	(356.43)	(953.93)
	d) Employee benefits expense	546.36	559.28	583.67	1,675.82	1,878.33	2,440.09
	e) Depreciation and amortisation expense (Refer Note 1)	72.02	91.65	92.24	268.57	282.44	369.53
	f) Diminution in value of current investments - provision / (write back)	(51.42)	25.12	(332.32)	(309.88)	608.62	326.13
	g) Other Expenses	405.52	538.53	672.27	1,438.93	2,047.77	2,618.94
	<b>Total Expenses</b>	<b>2,510.82</b>	<b>3,663.04</b>	<b>3,943.59</b>	<b>9,251.14</b>	<b>14,534.32</b>	<b>17,916.90</b>
<b>3</b>	<b>(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>	<b>(690.74)</b>	<b>(593.73)</b>	<b>(255.53)</b>	<b>(1,646.17)</b>	<b>(2,528.26)</b>	<b>(2,932.35)</b>
<b>4</b>	<b>Other Income</b>	960.47	801.03	459.98	2,615.76	1,799.06	2,339.64
<b>5</b>	<b>Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)</b>	<b>269.73</b>	<b>207.30</b>	<b>204.45</b>	<b>969.59</b>	<b>(729.20)</b>	<b>(592.71)</b>
<b>6</b>	<b>Finance costs</b>	0.05	0.02	0.15	0.36	0.34	1.30
<b>7</b>	<b>Profit / (Loss) from ordinary activities before tax (5-6)</b>	<b>269.68</b>	<b>207.28</b>	<b>204.30</b>	<b>969.23</b>	<b>(729.54)</b>	<b>(594.01)</b>
<b>8</b>	<b>Tax expense</b>						
	Current Tax	83.75	81.15	(20.54)	164.90	(20.54)	(384.71)
	Deferred Tax	(45.28)	(96.70)	-	(141.98)	-	-
		38.47	(15.55)	(20.54)	22.92	(20.54)	(384.71)
<b>9</b>	<b>Net Profit / (Loss) for the period (7-8)</b>	<b>231.21</b>	<b>222.83</b>	<b>224.84</b>	<b>946.31</b>	<b>(709.00)</b>	<b>(209.30)</b>
<b>10</b>	<b>Paid Up Equity Share Capital (Face Value Rs.2/-)</b>	600.10	600.10	600.10	600.10	600.10	600.10
<b>11</b>	<b>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.</b>						39,509.84
<b>12</b>	<b>Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised)</b>	0.77	0.74	0.75	3.15	(2.36)	(0.70)
	<i>See accompanying notes to the financial results</i>						




PART - II							
SELECT INFORMATION FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2014							
Sr. No.	Particulars	3 months ended 31.12.2014	Preceding 3 months ended 30.09.2014	Corresponding 3 months ended 31.12.2013 in the previous year	Year to date figures for current period ended 31.12.2014	Year to date figures for previous period ended 31.12.2013	Previous year ended 31.03.2014
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
<b>1</b>	Public Shareholding						
	- Number of Shares	7,654,274	7,654,274	7,654,274	7,654,274	7,654,274	7,654,274
	- Percentage of Shareholding	25.51%	25.51%	25.51%	25.51%	25.51%	25.51%
<b>2</b>	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of Shares	-	-	-	-	-	-
	- Percentage of shares ( as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares ( as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	-Number of shares	22,350,576	22,350,576	22,350,576	22,350,576	22,350,576	22,350,576
	-Percentage of shares ( as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	-Percentage of shares ( as a % of the total share capital of the Company)	74.49%	74.49%	74.49%	74.49%	74.49%	74.49%
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	<b>3 months ended 31.12.2014</b>					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	12					
	Disposed of during the quarter	12					
	Remaining unresolved at the end of the quarter	Nil					

**Notes :**

- Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), effective 1st April, 2014, the Company has revised the estimated useful lives of its fixed assets to ensure compliance with the stipulations of Schedule II to the Act, only for assets whose lives were longer than as prescribed by the said Schedule. Accordingly, the unamortized depreciable amounts of the fixed assets are being charged over the revised remaining useful lives. This has the impact of increasing depreciation charge for the quarter by Rs. 2.07 lakh and nine months by Rs. 26.63 lakh. Further, in accordance with the stipulations of the said Schedule, written down value of fixed assets, whose lives had expired as at 1st April, 2014, aggregating Rs. 15.71 lakh (net of tax) have been adjusted against the retained earnings.
- During the quarter, the liquidation of the Company's wholly owned subsidiary Smartlink Middle East FZE has been completed. Rs. 2.20 lakh being the excess of provision for diminution in respect of this investment over the loss on liquidation has been written back.
- The Company operates in a single business segment namely " Networking Products ".
- Figures of the previous quarter/year are re-grouped/re-arranged, wherever necessary.
- The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 30th January, 2015.

For and on behalf of the Board

  
K. R. Naik  
Executive Chairman  
DIN 00002013

