

26<sup>th</sup> October, 2016

To,  
Mr. Hari K - Asst. Vice President  
National Stock Exchange of India Ltd  
"Exchange Plaza", C-1, Block G,  
Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 051

To,  
The Manager - Corporate  
The Corporate relationship Department  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**Sub: Un-audited Financial Results for the quarter ended 30<sup>th</sup> September, 2016**  
**Scrip Code: NSE: SMARTLINK** **BSE: 532419**

Dear Sir,

Pursuant to Regulation 33(3)(a) of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the Un-Audited Financial Results for the quarter ended 30<sup>th</sup> September, 2016 which was duly approved by the Board of Directors of the Company at its meeting held today.

The Board meeting commenced at 11.00 a.m. and concluded at 03:28.

Request you to kindly take note of the same and acknowledge the receipt.

Thanking You,

Yours Faithfully,

For **SMARTLINK NETWORK SYSTEMS LIMITED**

  
**URJITA DAMLE**  
**COMPANY SECRETARY**

**Smartlink Network Systems Ltd.**

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

[www.smartlink.co.in](http://www.smartlink.co.in)

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF SMARTLINK NETWORK SYSTEMS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **SMARTLINK NETWORK SYSTEMS LIMITED** ("the Company") for the quarter and six months ended 30<sup>th</sup> September, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



A. Siddharth  
Partner

(Membership No. 31467)

Mumbai, 26<sup>th</sup> October, 2016

# Smartlink Network Systems Limited

CIN : L30007GA1993PLC001341

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

Website : www.smartlink.co.in

## PART I

### STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTH ENDED 30TH SEPTEMBER 2016

Sr. No.	Particulars	3 months ended 30.09.2016 (Unaudited)	Preceding 3 months ended 30.06.2016 (Unaudited)	Corresponding 3 months ended 30.09.2015 in the previous year (Unaudited)	Year to date figures for current period ended 30.09.2016 (Unaudited)	Year to date figures for previous period ended 30.09.2015 (Unaudited)	(Rs. In lakhs) Previous year ended 31.03.2016 (Audited)
1	<b>Income from Operations</b>	839.46	659.55	861.63	1,499.01	1,682.35	3,221.99
2	<b>Expenses</b>						
	a) Employee benefits expense	75.55	74.33	298.25	149.88	398.31	625.40
	b) Depreciation and amortisation expense	28.35	27.40	36.45	55.75	76.41	137.79
	c) Other Expenses	146.36	203.36	(5.86)	349.72	218.37	495.13
	<b>Total Expenses</b>	<b>250.26</b>	<b>305.09</b>	<b>328.84</b>	<b>555.35</b>	<b>693.09</b>	<b>1,258.32</b>
3	<b>Profit from Operations before Other Income, Finance Costs (1-2)</b>	<b>589.20</b>	<b>354.46</b>	<b>532.79</b>	<b>943.66</b>	<b>989.26</b>	<b>1,963.67</b>
4	Other Income	-	-	-	-	-	-
5	<b>Profit from ordinary activities before Finance Costs</b>	<b>589.20</b>	<b>354.46</b>	<b>532.79</b>	<b>943.66</b>	<b>989.26</b>	<b>1,963.67</b>
6	Finance costs	0.01	0.04	0.06	0.05	0.13	5.28
7	<b>Profit from ordinary activities before Tax (5-6)</b>	<b>589.19</b>	<b>354.42</b>	<b>532.73</b>	<b>943.61</b>	<b>989.13</b>	<b>1,958.39</b>
8	Tax expense						
	Current Tax	185.59	104.71	178.12	290.30	338.30	687.67
	Deferred Tax	145.30	51.47	76.00	196.77	165.20	276.01
		330.89	156.18	254.12	487.07	503.50	963.68
9	<b>Profit for the period / year from Continuing operation after tax (7-8)</b>	<b>258.30</b>	<b>198.24</b>	<b>278.61</b>	<b>456.54</b>	<b>485.63</b>	<b>994.71</b>
10	<b>(Loss) for the period / year from Discontinuing operations before tax</b>	<b>(110.12)</b>	<b>(375.70)</b>	<b>(364.42)</b>	<b>(485.82)</b>	<b>(745.93)</b>	<b>(1,281.93)</b>
11	Tax expense						
	Current Tax	(73.05)	(111.20)	(116.97)	(184.25)	(248.14)	(486.67)
	Deferred Tax	(97.96)	(52.74)	(80.29)	(150.70)	(172.56)	(238.89)
		(171.01)	(163.94)	(197.26)	(334.95)	(420.70)	(725.56)
12	<b>Profit / (Loss) for the period / year from Discontinuing operations after tax (10-11)</b>	<b>60.89</b>	<b>(211.76)</b>	<b>(167.16)</b>	<b>(150.87)</b>	<b>(325.23)</b>	<b>(556.37)</b>
13	<b>Net Profit / (Loss) for the period / year</b>	<b>319.19</b>	<b>(13.52)</b>	<b>111.45</b>	<b>305.67</b>	<b>160.40</b>	<b>438.34</b>
14	Paid Up Equity Share Capital (Face Value Rs.2/-) (Refer Note 3)	451.00	451.00	600.10	451.00	600.10	600.10
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.						40,094.73
16	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised) <i>See accompanying notes to the financial results</i>	1.22 *	(0.05) *	0.37 *	1.17 *	0.53 *	1.46

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Notes :

- 1 The Company operates in a single business segment namely " Networking Products ".
- 2 Figures of the previous quarter/year are re-grouped/re-arranged, wherever necessary.
- 3 The Board of Directors of the Company at its meeting on 29th February, 2016 and the Shareholders of the Company through postal ballot on 14th April, 2016 had approved the proposal to buyback equity shares up to 7,454,850 (aggregating up to 24.85% of the paid-up equity share capital of the Company), payable in cash for an aggregate amount of up to Rs.820,033,500/-. During the previous quarter the buyback process has been completed and equity shares of 7,454,850 stands cancelled on 30th June 2016.
- 4 The Company has signed the Business Transfer Agreement on 24th September, 2016 with Digisol Systems Limited ("Digisol") and Synegra EMS Limited ("Synegra") both 100% subsidiaries of the Company for sale of its "Digisol Business" comprising of Selling and Marketing of various categories of Networking and Information Technology (IT) Products sold under brand name "DIGISOL", hereinafter referred to as ("Digisol Business") and "EMS Business" comprising mainly of manufacture of various categories of electronic and IT products, on slump sale basis as a going concern for a consideration of Rs. 1900 lakhs and Rs. 330 lakhs respectively to be adjusted for any net working capital adjustments. The same was approved by the Board of Directors at its meeting held on 4th August, 2016 and by the shareholders vide resolution passed through postal ballot on 16th September, 2016. The closing date for the transfer as per the Business Transfer Agreement was 10th October, 2016.

Details of revenue and expenses of discontinued operations for financial results are as below :

Particulars	3 months ended 30.09.2016 (Unaudited)	Preceding 3 months ended 30.06.2016 (Unaudited)	Corresponding 3 months ended 30.09.2015 in the previous year (Unaudited)	Year to date figures for current period ended 30.09.2016 (Unaudited)	Year to date figures for previous period ended 30.09.2015 (Unaudited)	Previous year ended 31.03.2016 (Audited)
Revenue from operations (net)	2,687.48	1,851.77	2,207.71	4,539.25	3,623.20	7,049.97
Other Income	39.65	19.31	14.55	58.96	28.29	49.49
Total Income	2,727.13	1,871.08	2,222.26	4,598.21	3,651.49	7,099.46
Total Expenditure	2,837.25	2,246.78	2,586.68	5,084.03	4,397.42	8,381.39
(Loss) before tax	(110.12)	(375.70)	(364.42)	(485.82)	(745.93)	(1,281.93)
Provision for taxation	(171.01)	(163.94)	(197.26)	(334.95)	(420.70)	(725.56)
Profit / (Loss) after tax	60.89	(211.76)	(167.16)	(150.87)	(325.23)	(556.37)
Assets	-	-	-	3,996.56	-	-
Liability	-	-	-	1,434.60	-	-

- 5 The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 26th October, 2016.

*PHU*

Mumbai  
26th Oct, 2016

For and on behalf of the Board

*K.R. Naik*

K.R. Naik  
Executive Chairman  
DIN: 00002013

Statement of Assets and Liabilities

(Rs. in lakhs)

Particulars		As at 30.09.2016 (Unaudited)	As at 31.03.2016 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share Capital	451.00	600.10
	(b) Reserves and Surplus	33,296.49	41,042.07
	<b>Sub-total - Shareholders' funds</b>	<b>33,747.49</b>	<b>41,642.17</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Other long-term liabilities	12.32	13.97
	(b) Long-term provisions	55.01	51.01
	<b>Sub-total - Non-current liabilities</b>	<b>67.33</b>	<b>64.98</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Trade payables	1,456.69	755.11
	(b) Other current liabilities	230.01	171.30
	(c) Short-term provisions	77.58	105.21
	<b>Sub-total - Current liabilities</b>	<b>1,764.28</b>	<b>1,031.62</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>35,579.10</b>	<b>42,738.77</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	2,176.83	2,149.31
	(b) Deferred tax asset (net)	112.43	158.50
	(c) Long-term loans and advances	330.25	516.14
	<b>Sub-total - Non-current assets</b>	<b>2,619.51</b>	<b>2,823.95</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	27,404.94	33,031.29
	(b) Inventories	1,901.82	1,050.19
	(c) Trade receivables	1,474.57	1,185.16
	(d) Cash and cash equivalents	1,572.16	3,999.34
	(e) Short-term loans and advances	336.11	467.80
	(f) Other current assets	269.99	181.04
	<b>Sub-total - Current assets</b>	<b>32,959.59</b>	<b>39,914.82</b>
	<b>TOTAL - ASSETS</b>	<b>35,579.10</b>	<b>42,738.77</b>

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Mumbai  
26th Oct, 2016

For and on behalf of the Board



**K.R. Naik**  
Executive Chairman  
DIN: 00002013