

31st January, 2018

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

Scrip Code: NSE: SMARTLINK

BSE: 532419

Sub: Un-audited Financial Results (standalone and consolidated) for the quarter ended 31st December, 2017.

Dear Sir,

Pursuant to Regulation 33(3)(a) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, enclosed please find the Un-audited Financial Results (standalone and consolidated) for the quarter ended 31st December, 2017 along with Auditors Report thereon which was duly approved by Board of Directors of the Company at its Board Meeting held today i.e. 31st January, 2018.

Please find enclosed herewith a copy of limited review report by the Auditors, M/s Sharp & Tannan LLP, for the quarter ended 31st December, 2017.

The Board Meeting commenced at 11.00 a.m. and concluded on 03:00 p.m.

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

LIMITED REVIEW REPORT ON THE QUARTERLY AND YEAR TO DATE UNAUDITED STANDALONE FINANCIAL RESULTS OF SMARTLINK NETWORK SYSTEMS LIMITED PURSUANT TO REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
**The Board of Directors of
Smartlink Network Systems Limited**

Independent Auditor's Limited Review Report on Standalone Unaudited Financial Results

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results (the 'Statement') of **Smartlink Network Systems Limited** (the 'Company') for the quarter and nine months ended 31st December, 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

2. Management's Responsibility for the Financial results

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on 31st January, 2018, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25") prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. Auditors' Responsibility

We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. Opinion

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 aforesaid Accounting standards and other accounting principles generally accepted in India have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The financial results for the corresponding quarter and nine months ended 31st December, 2016 included in the Statement and the Standalone Financial Statements for the year ended 31st March, 2017 are based on the previously issued financial results/financial statements of the Company, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under, which were reviewed/audited by M/s DELOITTE HASKINS & SELLS LLP, whose reports dated 10th February, 2017 and 17th May, 2017 respectively, expressed an unmodified opinion on those reviewed standalone financial results/audited standalone financial statements.

For Sharp & Tannan LLP
Chartered Accountants

ICAI Firm Registration No.127145W/W100218

by hand of



A handwritten signature in blue ink, appearing to read "Darryl Frank", written over a horizontal line.

DARRYL FRANK

Partner

Membership No.: 104096

Place: Mumbai,

Date: 31st January, 2018

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 NINE MONTHS ENDED 31ST DECEMBER, 2017

(Rs. in lakhs)							
Sr. No.	Particulars	3 months ended 31.12.2017 (Unaudited)	Preceding 3 months ended 30.09.2017 (Unaudited)	Corresponding 3 months ended 31.12.2016 in the previous year (Unaudited)	Year to date figures for current period ended 31.12.2017 (Unaudited)	Year to date figures for previous period ended 31.12.2016 (Unaudited)	Previous year ended 31.03.2017 (Audited)
A	CONTINUING OPERATIONS						
I	Revenue from Operations	439.42	475.42	305.03	1,415.54	1,767.71	2,164.21
II	Other Income	68.73	79.77	106.59	241.46	142.92	252.31
III	Total Revenue	508.15	555.19	411.62	1,657.00	1,910.63	2,416.52
IV	Expenses						
	a) Employee Benefits Expense	33.41	45.44	174.80	123.31	324.68	417.41
	b) Finance costs	(2.29)	7.93	-	5.64	0.05	14.78
	c) Depreciation and Amortisation Expense	32.26	32.75	31.83	97.74	87.58	119.89
	d) Other Expenses	61.92	88.16	121.13	265.46	470.85	681.94
	Total Expenses	125.30	174.28	327.76	492.15	883.16	1,234.02
V	Profit before exceptional items and tax (III - IV)	382.85	380.91	83.86	1,164.85	1,027.47	1,182.50
VI	Exceptional Items (Refer Note 2)	-	-	312.99	-	312.99	312.99
VII	Profit before tax (V + VI)	382.85	380.91	396.85	1,164.85	1,340.46	1,495.49
VIII	Tax Expenses						
	- Current tax	161.51	117.26	52.54	401.91	342.84	381.41
	- MAT credit entitlement	(118.87)	-	-	(118.87)	-	-
	- Deferred tax	(5.81)	1.61	202.92	(0.08)	399.69	445.94
		36.83	118.87	255.46	282.96	742.53	827.35
IX	Profit from continuing operations (after tax) (VII - VIII)	346.02	262.04	141.39	881.89	597.93	668.14
B	DISCONTINUED OPERATIONS						
X	(Loss) from discontinued operations (before tax)	-	-	-	-	(485.82)	(485.82)
XI	Tax expense of discontinued operations						
	- Current tax	-	-	-	-	(184.25)	(184.25)
	- Deferred tax	-	-	-	-	(150.70)	(150.70)
		-	-	-	-	(334.95)	(334.95)
XII	Profit / (Loss) from discontinued operations (after tax) (X - XI)	-	-	-	-	(150.87)	(150.87)
XIII	Net Profit for the period / year	346.02	262.04	141.39	881.89	447.06	517.27
XIV	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised)	1.53*	1.16*	0.57*	3.91*	1.79*	2.12

See accompanying notes to the financial results



Notes :

- 1) Figures of the previous quarter/year are re-grouped/re-arranged, wherever necessary.
- 2) In the previous year, the Company had sold its business of Selling and Marketing of various categories of Networking and Information Technology (IT) Products carried under brand name "DIGISOL" on a slump sale basis to Digisol Systems Limited and "EMS business" comprising mainly of manufacture of various categories of electronic and IT products on a slump sale basis to Synegra EMS Limited. The profit on account of above transactions amounting to Rs. 312.99 lakhs was disclosed as an exceptional item in the previous year.

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


Particulars	Year to date figures for previous period ended 31.12.2016 (Unaudited)	Previous year ended 31.03.2017 (Audited)
Revenue from operations (net)	4,539.25	4,539.25
Other Income	58.96	58.96
Total Income	4,598.21	4,598.21
Total Expenditure	5,084.03	5,084.03
(Loss) before tax	(485.82)	(485.82)
Provision for taxation	(334.95)	(334.95)
Profit / (Loss) after tax	(150.87)	(150.87)

- 3) Consequent to Slump sale (refer note 2 above) the Company is focussing on earning income through dividends, interest and gains on investments held. Hence, the Company operates in a single business segment namely " Investment ".
- 4) The Company has considered itself as a Non-Banking Financial Company in terms of provisions of Clause (f) of section 45-I of Reserve Bank of India Act, 1934 ("the Act"). The Company has already made an application in terms of sub-section (2) of section 45-IA of the Act, for issue of Certificate of Registration as a Non-Banking Financial Company (Non-Deposit taking).
- 5) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 31st January, 2018.

Mumbai, dated : 31st January, 2018



For and on behalf of the Board


K.R. Naik
Executive Chairman
DIN: 00002013

Limited Review Report on Quarter and Year to date Unaudited Consolidated Financial Results of SMARTLINK NETWORK SYSTEMS LIMITED pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To
The Board of Directors of
Smartlink Network Systems Limited

Independent Auditor's Limited Review Report on Consolidated Unaudited Financial Results

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Smartlink Network Systems Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the quarter and nine months ended 31st December, 2017 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.
2. **Management's Responsibility for the Statements**

This Statement which is the responsibility of the Holding Company's management and approved by the Board of Directors in its meeting held on 31st January, 2018, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. **Auditors Responsibility**

We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 Holding Company personnel and analytical procedures



applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Opinion

Based on our review conducted as stated above, and based on the consideration of the review reports of the another auditor referred to in paragraph 5 and except for the possible effects of the matters described in paragraph 5, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with 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 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Other Matter

The Statement contains information on three subsidiary companies incorporated in India which are as follows:

Sr. No.	Entity Name	Country of Incorporation
	Subsidiaries	
1	Digisol Systems Limited	India
2	Synegra EMS Limited	India
3	Telesmart ECS Limited	India

- a) The consolidated financial results include the interim information of one subsidiary company incorporated in India, as certified by the management, which have been reviewed by another auditor, whose interim financial results reflect total revenue of Rs. 158.17 Lakhs and Rs. 283.87 Lakhs and net loss of Rs. 12.72 Lakhs and Rs. 63.43 Lakhs for the quarter and nine months ended 31st December, 2017, as considered in the consolidated financial results respectively.
- b) The consolidated financial results include the interim information of two Indian entities, whose financial results reflect total revenue of Rs. 2,320.34 Lakhs and Rs. 6,448.58 Lakhs and total loss of Rs. 133.72 Lakhs and Rs.1,134.13 Lakhs for the quarter and the nine months ended 31st December, 2017 respectively, whose interim results have been reviewed by us.



6. The consolidated financial results for the year ended 31st March, 2017 included in the Statement are based on the previously issued consolidated financial results/financial statements of the Company, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under, which were audited by M/s DELOITTE HASKINS & SELLS LLP, whose report dated 17th May, 2017 expressed an unmodified opinion on those audited Consolidated Financial results/statements.

For Sharp & Tannan LLP
Chartered Accountants

ICAI Firm Registration No.127145W/W100218

by hand of



A handwritten signature in blue ink, appearing to read "Darryl Frank", written over a horizontal line.

DARRYL FRANK

Partner

Membership No.: 104096

Place: Mumbai,

Date: 31st January, 2018

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 CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

(Rs. In lakhs)							
Sr. No.	Particulars	3 months ended 31.12.2017 (Unaudited)	Preceding 3 months ended 30.09.2017 (Unaudited)	Corresponding 3 months ended 31.12.2016 in the previous year (Unaudited)	Year to date figures for current period ended 31.12.2017 (Unaudited)	Year to date figures for previous period ended 31.12.2016 (Unaudited)	Previous year ended 31.03.2017 (Audited)
I	Revenue from operations (net) (Refer note 3)	2,455.65	2,905.17	2,305.41	7,378.55	8,307.35	10,373.82
II	Other Income	39.48	27.88	22.64	90.92	117.93	155.45
III	Total Revenue	2,495.13	2,933.05	2,328.05	7,469.47	8,425.28	10,529.27
IV	Expenses						
	a) Cost of raw materials consumed	190.50	71.78	1,343.59	580.45	2,649.33	3,619.89
	b) Purchases of traded goods	1,257.72	947.97	1,034.94	2,643.59	3,437.85	4,540.68
	c) Decrease / (Increase) in inventories of Finished goods, Work-in-Progress and traded goods	(50.77)	796.64	(928.59)	1,549.72	(1,128.57)	(1,723.53)
	d) Employee benefits expense	404.82	451.90	580.27	1,289.09	1,560.27	2,088.36
	e) Finance costs	1.80	7.88	0.06	12.31	0.11	16.79
	f) Depreciation and amortisation expense	47.31	46.27	42.08	140.06	119.82	165.17
	g) Other Expenses	369.09	394.01	600.42	1,131.78	1,673.40	2,300.75
	Total Expenses	2,220.47	2,716.45	2,672.77	7,347.00	8,312.21	11,008.11
V	Profit / (Loss) before tax (III - IV)	274.66	216.60	(344.72)	122.47	113.07	(478.84)
VI	Tax Expenses						
	- Current tax	161.51	117.26	52.54	401.91	158.58	197.16
	- MAT credit entitlement	(118.87)	-	-	(118.87)	-	-
	- Deferred tax	(5.81)	1.61	202.92	(0.08)	249.00	295.25
	- Short Provision of Income Tax in earlier year	8.73	-	-	8.73	-	-
		45.56	118.87	255.46	291.69	407.58	492.41
VII	Net Profit / (Loss) for the period / year (V - VI)	229.10	97.73	(600.18)	(169.22)	(294.51)	(971.25)
VIII	Share in Loss attributable to Minority Interest	(4.14)	(0.61)	-	(4.75)	-	-
IX	Net Profit / (Loss) for the period / year after share of Loss of Minority Interest (VII - VIII)	233.24	98.34	(600.18)	(164.47)	(294.51)	(971.25)
X	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised) <i>See accompanying notes to the financial results</i>	1.03*	0.44*	(2.40)*	(0.73)*	(1.18)*	(3.98)



**CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017**

Sr. No.	Particulars	(Rs. In lakhs)					
		3 months ended 31.12.2017 (Unaudited)	Preceding 3 months ended 30.09.2017 (Unaudited)	Corresponding 3 months ended 31.12.2016 in the previous year (Unaudited)	Year to date figures for current period ended 31.12.2017 (Unaudited)	Year to date figures for previous period ended 31.12.2016 (Unaudited)	Previous year ended 31.03.2017 (Audited)
1	<u>Segment Revenue (net):</u>						
	(a) Investment	439.42	475.42	305.03	1,415.54	1,767.71	2,171.54
	(b) Networking Products	2,069.16	2,450.69	1,992.20	6,100.84	6,477.08	8,063.50
	(c) EMS	-	138.17	175.23	191.45	229.61	454.91
	Total	2,508.58	3,064.28	2,472.46	7,707.83	8,474.40	10,689.95
	Less: Inter-segment Revenue	52.93	159.11	167.05	329.28	167.05	316.13
	Total Income from Operations (net)	2,455.65	2,905.17	2,305.41	7,378.55	8,307.35	10,373.82
2	<u>Segment Results:</u>						
	Profit/ (Loss) before tax and finance costs from each segment						
	(a) Investment	285.38	285.03	(20.28)	867.02	1,293.45	1,377.04
	(b) Networking Products	(24.05)	126.65	(213.14)	(422.53)	(1,055.59)	(1,625.17)
	(c) EMS	-	(175.14)	(105.05)	(300.23)	(145.94)	(218.40)
	Total	261.33	236.54	(338.47)	144.26	91.92	(466.53)
	Less:						
	(i) Finance Costs (net)	-	-	0.06	-	0.11	16.79
	(ii) Other un-allocable expenditure net-off un-allocable income	(13.33)	19.94	6.19	21.79	(21.26)	(4.48)
	Total Profit / (Loss) before tax	274.66	216.60	(344.72)	122.47	113.07	(478.84)
3	<u>Capital Employed</u>						
	<u>Segment Assets</u>						
	(a) Investment	27,648.38	26,810.79	27,847.75	27,648.38	27,847.75	27,054.53
	(b) Networking Products	3,744.41	3,126.49	4,624.52	3,744.41	4,624.52	4,623.48
	(c) EMS	-	315.48	254.44	-	254.44	298.27
	(d) Un-allocated	2,864.04	3,352.55	2,635.39	2,864.04	2,635.39	2,619.37
	Total Assets	34,256.83	33,605.31	35,362.10	34,256.83	35,362.10	34,595.65
	<u>Less: Segment Liabilities</u>						
	(a) Investment	22.82	31.96	58.65	22.82	58.65	100.22
	(b) Networking Products	2,140.51	1,500.95	1,828.74	2,140.51	1,828.74	1,673.62
	(c) EMS	-	192.70	83.66	-	83.66	82.26
	(d) Un-allocated	262.98	278.27	243.73	262.98	243.73	268.97
	Total Liabilities	2,426.31	2,003.88	2,214.78	2,426.31	2,214.78	2,125.07
	Total Capital Employed	31,830.52	31,601.43	33,147.32	31,830.52	33,147.32	32,470.58

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Notes :

- 1) Figures of the previous quarter/year are re-grouped/re-arranged, wherever necessary.
- 2) The Consolidated Financial results include results of the following Companies:

Name of the Company	% shareholding and voting power of Smartlink Network Systems Limited	Consolidated as
Smartlink Network Systems Limited	-	Holding Company
Digisol Systems Limited	100%	Subsidiary
Synegra EMS Limited	100%	Subsidiary
Telesmart SCS Limited	80%*	Subsidiary

* Telesmart SCS Limited has ceased to be wholly-owned subsidiary w.e.f. 20th September, 2017. Consequently, Minority Interest has been computed and disclosed separately.

- 3) Revenue from Operations for the period 1st July, 2017 to 31st December, 2017 is net of Goods and Service Tax. The Excise duty deducted from Revenue from operations for the previous periods are as given below.

	(Rs. in lakhs)
Quarter ended 31st December, 2016	91.89
Nine-month ended 31st December, 2017	67.13
Nine-month ended 31st December, 2016	274.66
Year ended 31st March, 2017	365.73

- 4) The group has three business segments
 - (i) Investment : Investment in various securities.
 - (ii) Networking products : Developing, manufacturing, marketing, distributing and servicing of various IT products.
 - (iii) EMS : Electronic manufacturing services (upto 30th Septmber, 2017). From the current quarter, the EMS segment majorly comprised of manufacture and sale of networking products to Digisol Systems Limited (Networking Products Segment) and hence has been considered under the segment of Networking Products.
- 5) The Holding Company had opted to publish Extracts of the Unaudited Consolidated Financial Results from quarter ended 31st December, 2016 pursuant to the transfer of business to its 2 subsidiaries, viz., Digisol Systems Limited and Synegra EMS Limited from 10th October, 2016. The Standalone Financial Results are available on the Company's website viz. www.smartlink.co.in and on the Stock Exchange websites.

Key standalone financial information is given below:

Particulars	(Rs. In lakhs)					
	3 months ended 31.12.2017 (Unaudited)	Preceding 3 months ended 30.09.2017 (Unaudited)	Corresponding 3 months ended 31.12.2016 in the previous year (Unaudited)	Year to date figures for current period ended 31.12.2017 (Unaudited)	Year to date figures for previous period ended 31.12.2016 (Unaudited)	Previous year ended 31.03.2017 (Audited)
Income from Operations and other Income	508.15	555.19	411.62	1,657.00	1,910.63	2,416.52
Profit Before Tax	382.85	380.91	396.85	1,164.85	854.64	1,009.67
Profit After Tax	346.02	262.04	141.39	881.89	447.06	517.27

- 6) The Parent Company has considered itself as a Non-Banking Financial Company in terms of provisions of Clause (f) of section 45-I of Reserve Bank of India A ("the Act"). During the half-year, the Company has made an application in terms of sub-section (2) of section 45-IA of the Act, for issue of Certificate of Registration as a Non-Banking Financial Company (Non-Deposit taking).
- 7) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 31st January, 2018.

Mumbai, dated : 31st January, 2018



For and on behalf of the Board

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