



Smartlink Network Systems Ltd

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403 722, Tel +91 832 2885400

July 27, 2012

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.

Dear Sir,

Sub: Un-audited Financial Results for the quarter ended 30th June, 2012 along with the Limited Review Report

Pursuant to clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results for the quarter ending 30th June, 2012 along with the Limited Review Report; which was duly approved by the Board of Directors of the Company at its meeting held today.

Kindly take note of the above and acknowledge the Receipt.

Thanking You,

Yours Faithfully,

For **SMARTLINK NETWORK SYSTEMS LIMITED**

K. G. PRABHU
COMPANY SECRETARY

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
SMARTLINK NETWORK SYSTEMS LIMITED**

We have reviewed the accompanying statement of Unaudited Financial Results of Smartlink Network Systems Limited ("the Company") for the quarter ended 30th June, 2012. 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 these financial results based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 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 financial statements are free of material misstatements. 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 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 the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, 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.

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 and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrars.

For Deloitte Haskins & Sells
Chartered Accountants
Registration no. 117366W



A.B. Jani
Partner

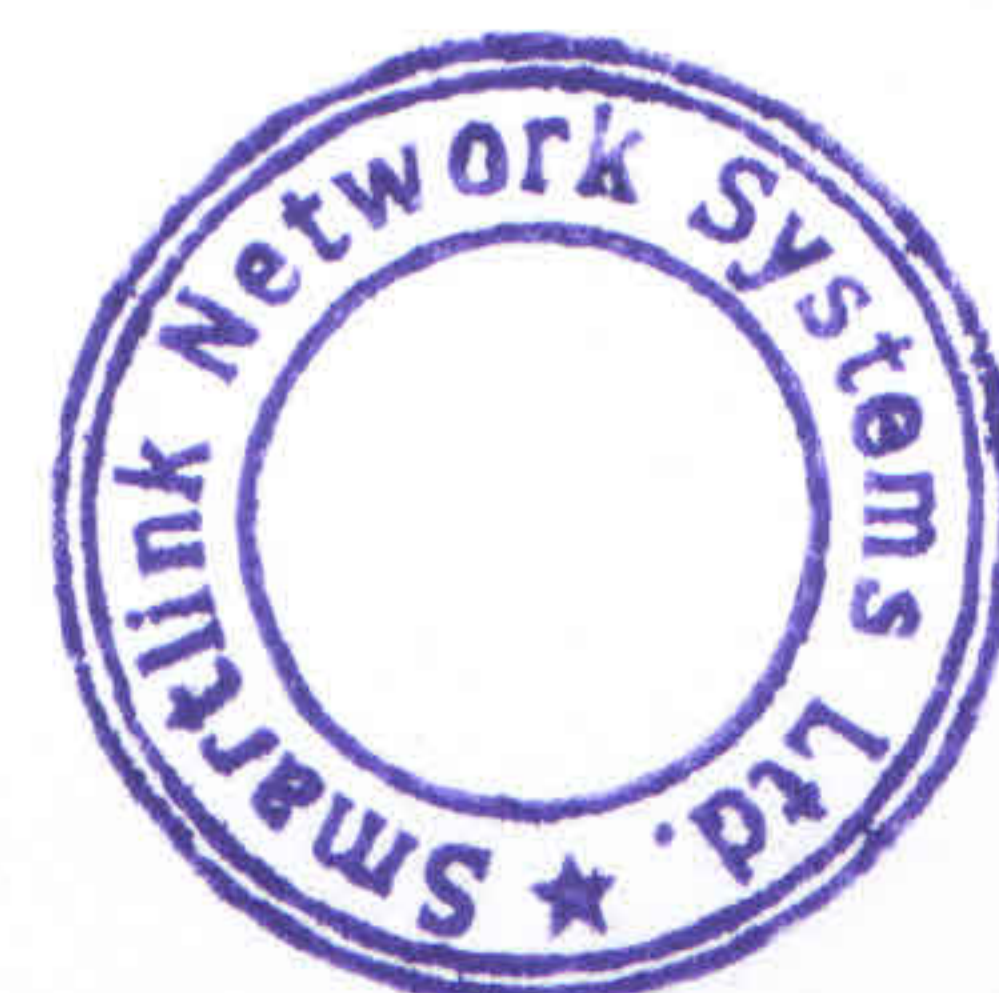
Membership No. 46488

Goa, dated: 27th July, 2012.

Smartlink Network Systems Limited

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

PART I				
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012				
Sr. No.	Particulars	3 months ended 30.06.2012 (Unaudited)	Preceding 3 months ended 31.03.2012 (Unaudited)	(Rs. In lakhs) Corresponding 3 months ended 30.06.2011 in the previous year (Unaudited) Previous year ended 31.03.2012 (Audited)
1	Income from Continuing operations			
	a) Net sales / Income from Operations (net of excise duty)	2,278.64	2,355.68	764.93
	b) Other Operating Income	0.15	12.16	0.04
	Total income from operations (net)	2,278.79	2,367.84	764.97
2	Expenses			
	a) Cost of materials consumed	1,011.07	1,073.54	215.78
	b) Purchase of traded goods	1,086.69	774.60	350.70
	c) Changes in inventories of finished goods, work-in-progress and traded goods	(264.92)	(166.78)	(83.82)
	d) Employee benefits expense	611.75	608.85	716.61
	e) Depreciation and amortisation expense	93.49	93.49	118.53
	f) Other Expenses	676.29	866.71	428.63
	Total Expenses	3,214.37	3,250.41	1,746.43
3	(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(935.58)	(882.57)	(981.46)
4	Other Income	885.04	947.73	542.32
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3 + 4)	(50.54)	65.16	(439.14)
6	Finance costs	0.02	0.78	1.60
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5 + 6)	(50.56)	64.38	(440.74)
8	Exceptional Items (Refer Note 1)	-	-	47,095.09
9	(Loss)/Profit from ordinary activities before tax (7+8)	(50.56)	64.38	46,654.35
10	Tax expense	-	60.55	10,080.37
11	Net (Loss) / Profit from ordinary activities after Tax (9-10)	(50.56)	3.83	36,573.98
12	Extraordinary items (net of tax expense)	-	-	-
13	Net (Loss) / Profit from continuing operations (11 + 12)	(50.56)	3.83	36,573.98
14	Profit from discontinuing operations (before tax) (Refer Note 1)	-	-	77.26
15	Tax expense	-	-	12.91
16	Profit from discontinuing operations (after tax) (14 - 15)	-	-	64.35
17	Net (Loss) / Profit for the period (13 + 16)	(50.56)	3.83	36,638.33
				36,644.76

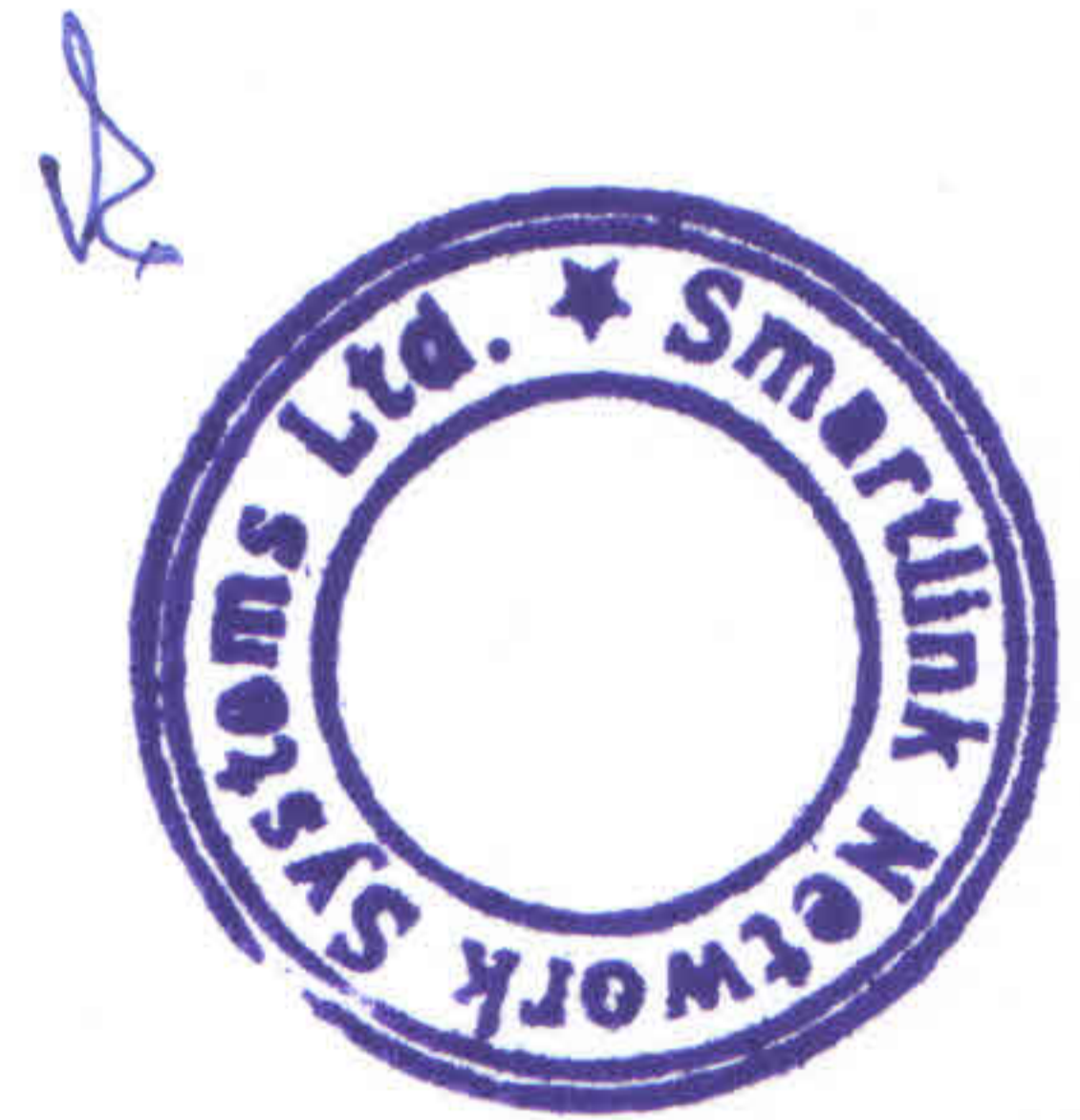


18	Paid Up Equity Share Capital (Face Value Rs.2/-)	600.10	600.10	600.10	600.10
19	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.				15,839.53
20	Basic and Diluted Earnings per share (before and after extraordinary items) (of Rs. 2/- each) (*not annualised) <i>See accompanying notes to the financial results</i>	*	*	*	
		(0.17)	0.01	122.11	122.13

PART - II

SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2012

Sr. No.	Particulars	3 months ended 30.06.2012 (Unaudited)	Preceding 3 months ended 31.03.2012 (Unaudited)	Corresponding 3 months ended 30.06.2011 in the previous year (Unaudited)	Previous year ended 31.03.2012 (Audited)
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of Shares	8,312,850	8,312,850	9,802,830	8,312,850
	- Percentage of Shareholding	27.71%	27.71%	32.67%	27.71%
2	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	21,692,000	21,692,000	20,202,020	21,692,000
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	72.29%	72.29%	67.33%	72.29%
B	INVESTOR COMPLAINTS	3 months ended 30.06.2012			
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	21			
	Disposed off during the quarter	21			
	Remaining unresolved at the end of the quarter	Nil			



Notes :

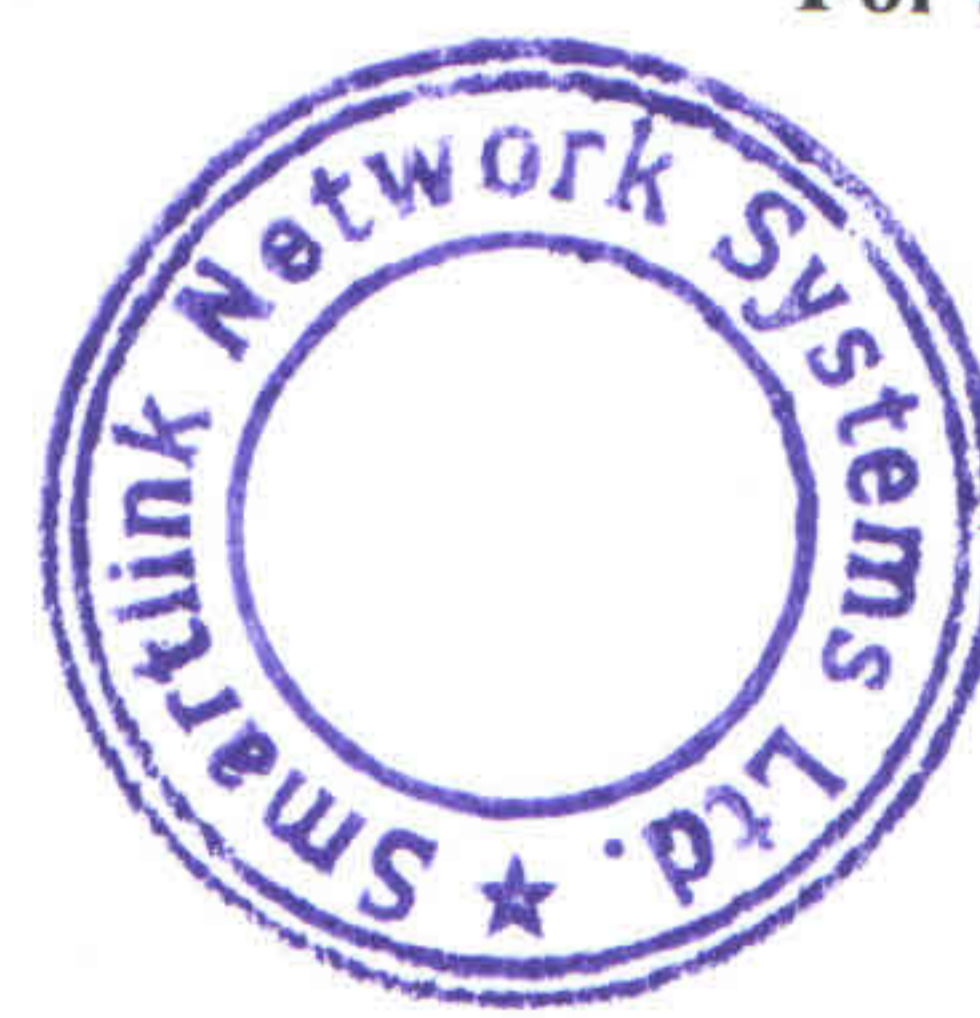
- 1 In the previous year, the Company had sold its' Structured cabling business comprising of manufacture, sale and marketing of structured cabling products carried under the brand name "DIGILINK", on slump sale basis as a going concern to Schneider Electric India Private Limited. The profit on account of the above transaction amounting to Rs. 47,095.09 lakhs was disclosed as an exceptional item in the previous year.

Details of revenue and expenses in relation to the discontinued operations, for the quarter ending June 30, 2011, are given below :

Particulars	(Rs. In lakhs)	
	Quarter ending 30.06.2011	Discontinuing Operation
Revenue from operations (net)	1,148.05	
Other Income	34.14	
Increase/(Decrease) in stocks of finished goods, work-in-progress and traded goods	-	
Total Income	1,182.19	
Total Expenditure	1,104.92	
Profit / (Loss) before tax and before exceptional items	77.27	
Exceptional items	-	
Profit / (Loss) before tax	77.27	
Provision for taxation	12.91	
Profit after tax	64.36	

- 2 The Company had received Show Cause Notices in an earlier year from the Customs Authorities demanding amounts aggregating to Rs. 2,421.31 lakhs in relation to certain import of components made by the Company in the previous years on the grounds that the classification of the goods should have been finished IT products. The Company had successfully argued the matter with the Commissioner of Customs, Goa who had passed Orders dated February 29, 2012 in the Company's favor. The Customs Department has now filed an Appeal with the Central Excise and Service Tax Appellate Tribunal (CESTAT) against the aforesaid Orders. The Company will be contesting the case with CESTAT in the forthcoming hearings and is hopeful of success in the matter.
- 3 The Company operates in a single business segment namely " Networking Products ".
- 4 Figures of the previous quarters/year are re-grouped/re-arranged, wherever necessary
- 5 The above Unaudited/Audited results have been reviewed by the Audit Committee and approved by the Board of Directors at their Meetings held on July 27, 2012.

Goa
July 27, 2012



For and on behalf of the Board


K.R. Naik
Executive Chairman