

28th August, 2019

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 30th June, 2019

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 30th June, 2019 along with Limited Review Report by the Auditors thereon which was duly approved by Board of Directors of the Company at its Board Meeting held today i.e. 28th August, 2019.

Please find enclosed herewith a copy of limited review report by the Auditors, M/s MSKA & Associates, Chartered Accountants for the quarter ended 30th June, 2019.

The Board Meeting commenced at 12:00 noon and concluded on 5.30 p.m.

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

Thanking You,

Yours Faithfully,

For **SMARTLINK HOLDINGS LIMITED**



URJITA DAMLE
COMPANY SECRETARY

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

Corporate Office : 215 Atrium, 2nd Floor, B-Wing, Courtyard Marriott Compound, Andheri-Kurla Road, Andheri (E), Mumbai - 400 093, INDIA
Land Phone : +91 22 3061 6666 / 2652 6696

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, GA, 403722, IN | Land Phone : +91 832 2885400 | Fax: +91 832 2783395
www.smartlinkholdings.com

Independent Auditor's Review Report on Standalone Unaudited Quarterly financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Smartlink Holdings Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Smartlink Holdings Limited ('the Company') for the quarter ended June 30, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2018 including the reconciliation of profit/loss under Indian Accounting Standards ('Ind AS') of the corresponding quarter with the profit/ loss then reported in accordance with the Accounting Standards as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP), as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.
2. 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 Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Anup Mundhra

Partner

Membership No.: 061083

ICAI UDIN: 19061083AAAAAR1880



Place: Mumbai

Date: August 28, 2019

SMARTLINK HOLDINGS LIMITED

CIN : L67100GA1993PLC001341

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722

Website : www.smartlinkholdings.com

Statement of Unaudited Standalone Financial Results for the Quarter ended 30th June, 2019			
Sr. No.	Particulars	(Rs. In Lakhs except earnings per share)	
		3 months ended 30th June, 2019	3 months ended 30th June, 2018
		Unaudited	Unaudited
1	Revenue from operations		
	a) Interest Income	157.03	203.91
	b) Dividend Income	-	3.32
	c) Rental Income	47.36	42.09
	d) Fees and commission Income	1.49	0.85
	e) Net gain on fair value changes	182.04	124.51
	Total Revenue from operations	387.92	374.68
	f) Other Income	2.55	0.49
	Total Income	390.47	375.17
2	Expenses		
	a) Finance costs	2.76	3.64
	b) Employee benefits expense	60.37	45.84
	c) Depreciation, amortization and impairment	29.91	32.08
	d) Other expenses	118.65	187.95
	Total expenses	211.69	269.51
3	Profit before Exceptional Items and tax (1-2)	178.78	105.66
4	Exceptional Items	-	-
5	Profit before tax (3-4)	178.78	105.66
6	Tax expense		
	a) Current tax	-	-
	b) Deferred tax	163.91	111.57
	c) Income tax (earlier year)	(113.63)	(81.49)
	Total tax expense	-	2.85
		50.28	32.93
7	Profit for the period (5-6)	128.50	72.73
8	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss		
	Re-measurement gains / (losses) on defined benefit plans	-	0.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
	Subtotal (A)	-	0.01
	B (i) Items that will be reclassified to profit or loss		
	Net fair value gain/ (loss) on financial instruments	(4.47)	(2.71)
	(ii) Income tax relating to items that will be reclassified to profit or loss	1.24	0.79
	Subtotal (B)	(3.23)	(1.92)
	Total Other Comprehensive income for the period (A+B)	(3.23)	(1.91)
9	Total Comprehensive income for the period (7+8)	125.27	70.82
10	Earning per share (Face value of Rs. 2/ each)		
	- Basic & Diluted (in Rs.)	0.76	0.32
		(Not annualised)	(Not annualised)

See accompanying notes to the standalone financial Results.

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SMARTLINK HOLDINGS LIMITED

NOTES TO THE FINANCIAL RESULTS

- 1 The Company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP').
- 2 The above standalone financial results have been reviewed by the Audit Committee, approved by the Board of Directors at its meeting held on 28th August, 2019. The statutory auditors have carried out a limited review of the standalone financial results for the quarter ended 30th June, 2019
- 3 As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016 issued by SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the quarter ended 31st March, 2019 and previous year ended 31st March 2019. Further, the financial results for the quarter ended 30th June, 2018 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30th June, 2018 provide a true and fair view of the Company's affairs.
- 4 These standalone financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30th June 2019. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.

There is possibility that these standalone financial results for the current and previous period may require adjustment due to changes in financial reporting requirements arising from the new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and the Reserve Bank of India or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending 31st March, 2020 prepared under Ind AS.

- 5 As required by paragraph 32 of Ind AS 101, the profit reconciliation between the figures previously reported under Previous GAAP and restated as per Ind AS is as under:

Particulars	Quarter ended 30th June, 2018
Profit after tax as reported under Previous GAAP	294.38
<u>Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :</u>	
Impact on application of fair valuation of financial assets	(312.52)
Impact on recognition of financial assets at amortised cost by applying effective interest rate method	(0.01)
Impact on application of lease accounting - Ind AS 116	(2.34)
Impact on application of fair valuation of financial liabilities	0.85
Others	(0.16)
Tax impact on above adjustments	92.53
Profit after tax as reported under Ind AS	72.73
Other comprehensive income/(loss) (net of tax)	
(i) Items that will not be reclassified to profit or loss	
Remeasurement of actuarial gain / (loss) to other comprehensive income	0.01
(ii) Items that will be reclassified to profit or loss	
Net fair value gain/ (loss) on financial instruments	(1.92)
Total Comprehensive income/(loss) (after tax) as reported under Ind AS	70.82

- 6 The Company is primarily engaged in the business of Investment activity and there are no separate reportable segments identified as per Ind AS 108 - Segment Reporting.

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- 8 The Board of Directors of the Company at its meeting held on 14th June, 2019 and the shareholders of the Company vide postal ballot dated 30th July, 2019 have approved the proposal to buyback equity shares up to 4,200,000 (aggregating up to 24.78% of the paid-up equity share capital of the Company), payable in cash for an aggregate amount of up to Rs. 546,000,000/-. Pursuant to the Board Approval and the Shareholders' Approval, the Board of Directors by way of a resolution passed at the board meeting dated 31st July 2019 approved the buyback of 36,50,000 Equity Shares (aggregating up to 21.53% of the paid-up equity share capital of the Company). The company is awaiting approval of SEBI for the buyback proposal.

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Place : Mumbai
Date : 28th August, 2019

For and on behalf of the Board of Directors
of SMARTLINK HOLDINGS LIMITED



A handwritten signature in blue ink, appearing to be "K.R. Naik".

K.R.Naik
Executive Chairman
DIN : 00002013

Independent Auditor's Review Report on Consolidated Unaudited Quarterly financial results of the Group pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Smartlink Holdings Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Smartlink Holdings Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended June 30, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2018 including the reconciliation of profit / loss under Indian Accounting Standards ('Ind AS') of the corresponding quarter with the profit / loss then reported in accordance with the Accounting Standards as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP), as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship with the Holding Company
1.	Digisol Systems Limited	Wholly Owned Subsidiary
2.	Synegra EMS Limited	Wholly Owned Subsidiary
3.	Telesmart SCS Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of consolidated quarterly financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Anup Mundhra

Partner

Membership No.: 061083

ICAI UDIN: 19061083AAAAAS5851



Place: Mumbai

Date: August 28, 2019

SMARTLINK HOLDINGS LIMITED

CIN : L67100GA1993PLC001341

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722

Website : www.smartlinkholdings.com

Statement of Unaudited Consolidated Financial Results for the Quarter ended 30th June, 2019			
(Rs. In Lakhs except earnings per share)			
Sr. No.	Particulars	Quarter ended	Quarter ended
		30th June, 2019	30th June, 2018
		Unaudited	Unaudited
1	Revenue from operations		
	a) Interest Income	173.92	157.69
	b) Dividend Income	-	3.32
	c) Rental Income	13.81	8.55
	d) Net gain on fair value changes	182.04	127.07
	e) Revenue from contracts with customer	1,665.78	2,029.37
	Total Revenue from operations	2,035.55	2,326.00
	f) Other Income	22.00	-
	Total Income	2,057.55	2,326.00
2	Expenses		
	a) Finance costs	58.14	30.86
	b) Impairment on financial instruments	(14.92)	(25.72)
	c) Cost of material consumed	196.04	507.99
	d) Purchase of Stock-in-trade	606.43	809.35
	e) Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	501.34	158.41
	f) Employee benefits expense	397.89	398.23
	g) Depreciation, amortization and impairment	65.28	66.95
	h) Other expenses	328.17	491.66
	Total expenses	2,138.37	2,437.73
3	Profit before Exceptional items and tax (1-2)	(80.82)	(111.73)
4	Exceptional Items	-	-
5	Profit before tax (3-4)	(80.82)	(111.73)
6	Tax expense		
	a) Current tax	163.91	111.57
	b) Deferred tax	(113.63)	(81.70)
	c) Income tax (earlier year)	-	2.88
	Total tax expense	50.28	32.75
7	Profit for the period (5-6)	(131.10)	(144.48)

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Sr. No.	Particulars	Quarter ended 30th June, 2019	Quarter ended 30th June, 2018
		Unaudited	Unaudited
	A (i) Items that will not be reclassified to profit or loss		
	Re-measurement gains / (losses) on defined benefit plans	-	(0.17)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
	Subtotal (A)	-	(0.17)
	B (i) Items that will be reclassified to profit or loss		
	Net fair value gain/ (loss) on financial instruments	(4.47)	(2.71)
	(ii) Income tax relating to items that will be reclassified to profit or loss	1.24	0.79
	Subtotal (B)	(3.23)	(1.92)
	Total Other Comprehensive income for the period (A+B)	(3.23)	(2.09)
1	Total Comprehensive income for the period (7+8)	(134.33)	(146.57)
2	Loss for the period attributable to		
	Equity holders of the parent	(125.44)	(138.49)
	Non-controlling interest	(5.66)	(5.99)
	Other comprehensive income for the period attributable to		
	Equity holders of the parent	(3.23)	(2.09)
	Non-controlling interest	-	-
	Total comprehensive income for the period attributable to		
	Equity holders of the parent	(128.67)	(140.58)
	Non-controlling interest	(5.66)	(5.99)
11	Earning per share (Face value of Rs. 2/ each)		
	- Basic & Diluted (in Rs.)	(0.77)	(0.64)
		(Not annualised)	(Not annualised)

See accompanying notes to the consolidated financial Results.

SMARTLINK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

1 The Consolidated Financial results include results of the following companies:

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

Smartlink Holdings Limited along with subsidiaries is together known as "the Group"

2 The Group has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP').

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- 3 The above Consolidated Financial results have been reviewed by the Audit Committee, approved by the Board of Directors at its meeting held on 28th August, 2019. The statutory auditors have carried out a limited review of the financial results for the quarter ended 30th June, 2019.
- 4 As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 issued by SEBI, the Group has opted to avail exemption for submission of Ind AS compliant consolidated financial results for the quarter ended 31st March, 2019 and previous year ended 31st March, 2019. Further, the consolidated financial results for the quarter ended 30th June, 2018 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30th June, 2018 provide a true and fair view of the Group's affairs.
- 5 These consolidated financial results have been drawn up on the basis of Ind AS that are applicable to the group as at 30th June, 2019. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

There is possibility that these consolidated financial results for the current and previous period may require adjustment due to changes in financial reporting requirements arising from the new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full respective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending 31st March, 2020 prepared under Ind AS.

- 6 As required by paragraph 32 of Ind AS 101, the profit/(loss) reconciliation between the figures previously reported under Previous GAAP and restated as per Ind AS is as under:

Particulars	Quarter ended 30 June, 2018
Profit after tax as reported under Previous GAAP	63.53
<u>Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP :</u>	
Impact on application of fair valuation of financial assets	(311.04)
Impact on recognition of financial assets at amortised cost by applying effective interest rate method	(0.10)
Impact on application of lease accounting	(7.20)
ECL on trade receivables	17.53
Others	0.04
Tax impact on above adjustments	92.76
Profit after tax as reported under Ind AS	(144.48)
(i) Items that will not be reclassified to profit or loss	
Re-measurement gains / losses on defined benefit plans	(0.17)
(ii) Items that will be reclassified to profit or loss	
Net fair value gain/ (loss) on financial instruments	(1.92)
Share on Minority Interest	5.99
Total Comprehensive income/(loss) (after tax) as reported under Ind AS	(140.58)

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7 The Board of Directors of the Holding Company at its meeting held on 14th June, 2019 and the shareholders of the Holding Company vide postal ballot dated 30th July, 2019 have approved the proposal to buyback equity shares up to 4,200,000 (aggregating up to 24.78% of the paid-up equity share capital of the Holding Company), payable in cash for an aggregate amount of up to Rs. 546,000,000/-. Pursuant to the Board Approval and the Shareholders' Approval, the Board of Directors by way of a resolution passed at the board meeting dated 31st July 2019 approved the buyback of 36,50,000 Equity Shares (aggregating up to 21.53% of the paid-up equity share capital of the Holding Company). The Holding Company is awaiting approval of SEBI for the buyback proposal.

8 Segment-wise Revenue and Results for Consolidated results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The group has two business segments

(i) Investment : Investment in various securities.

(ii) Networking products : Developing, manufacturing, marketing, distributing and servicing of various IT products.

Particulars	Quarter Ended	
	30th June 2019	30th June 2018
1 Segment Revenue (net):		
(a) Investment	387.92	374.68
(b) Networking Products	1,682.66	2,035.42
Total	2,070.58	2,410.10
Less: Inter-segment Revenue	(35.03)	(84.10)
Total Income from Operations (net)	2,035.55	2,326.00
2 Segment Results:		
Profit/ (Loss) before tax and finance costs from each segment		
(a) Investment	170.93	146.19
(b) Networking Products	(186.62)	(135.58)
Total	(15.69)	10.61
Less:		
(i) Finance Costs (net)	58.14	30.86
(ii) Other un-allocable expenditure net-off un-allocable income	6.99	91.48
Total (Loss) / Profit before tax	(80.82)	(111.73)
3 Segment Assets		
(a) Investment	25,212.40	31,336.71
(b) Networking Products	3,761.48	3,608.43
(c) Un-allocated	972.31	626.82
Total Assets	29,946.19	35,571.96
Less: Segment Liabilities		
(a) Investment	269.33	417.55
(b) Networking Products	3,849.15	2,570.99
(c) Un-allocated	377.87	231.46
Total Liabilities	4,496.35	3,220.00

For and on behalf of the Board of Directors
of SMARTLINK HOLDINGS LIMITED

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K.R.Naik
Executive Chairman
DIN : 00002013

Place : Mumbai
Date : 28th August, 2019