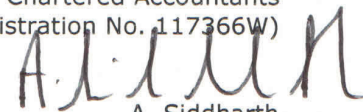


**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
SMARTLINK NETWORK SYSTEMS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SMARTLINK NETWORK SYSTEMS LIMITED** ("the Company") for the Quarter ended 30th June 2013 ("the Statement"), being submitted by the Company pursuant to 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 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.
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 and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended 30th June, 2013 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117366W)



A. Siddharth
Partner
(Membership No. 31467)

Verna - Goa, July 26, 2013

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 30,2013					
		(Rs. In lakhs)			
Sr. No.	Particulars	3 months ended 30.06.2013 (Unaudited)	Preceding 3 months ended 31.03.13 (Audited)*Refer Note 3	Corresponding 3 months ended 30.06.12 in the previous year (Unaudited)	Previous year ended 31.03.2013 (Audited)
1	Income from Operations				
	a) Net sales / Income from Operations (net of excise duty)	3,638.85	3,408.68	2,278.64	11,731.85
	b) Other Operating Income	0.18	18.50	0.15	18.72
	Total income from operations (net)	3,639.03	3,427.18	2,278.79	11,750.57
2	Expenses				
	a) Cost of materials consumed	399.55	322.71	1,011.07	2,732.00
	b) Purchase of traded goods	1,810.26	1,724.39	1,086.69	6,203.09
	c) Changes in inventories of finished goods, work-in-progress and traded goods	795.09	812.03	(264.92)	709.67
	d) Employee benefits expense	630.50	672.93	611.75	2,617.61
	e) Depreciation and amortisation expense	94.65	100.94	93.49	388.61
	f) Other Expenses	699.88	706.03	676.29	2,922.40
	Total Expenses	4,429.93	4,339.03	3,214.37	15,573.38
3	(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(790.90)	(911.85)	(935.58)	(3,822.81)
4	Other Income	1,199.82	1,025.90	885.04	3,624.90
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	408.92	114.05	(50.54)	(197.91)
6	Finance costs	0.05	6.40	0.02	6.81
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	408.87	107.65	(50.56)	(204.72)
8	Exceptional Items	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7+8)	408.87	107.65	(50.56)	(204.72)
10	Tax expense	-	(2.91)	-	(2.91)
11	Net Profit / (Loss) for the period (9 - 10)	408.87	110.56	(50.56)	(201.81)
12	Paid Up Equity Share Capital (Face Value Rs.2/-)	600.10	600.10	600.10	600.10
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.	-	-	-	41,325.12
14	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised)	1.36	0.37	(0.17)	(0.67)
	<i>See accompanying notes to the financial results</i>				

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PART - II					
SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2013					
Sr. No.	Particulars	3 months ended 30.06.2013 (Unaudited)	Preceding 3 months ended 31.03.13 (Audited)*Refer Note 3	Corresponding 3 months ended 30.06.12 in the previous year (Unaudited)	Previous year ended 31.03.2013 (Audited)
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of Shares	7,654,274	7,654,274	8,312,850	7,654,274
	- Percentage of Shareholding	25.51%	25.51%	27.71%	25.51%
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	22,350,576	22,350,576	21,692,000	22,350,576
	-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)	74.49%	74.49%	72.29%	74.49%
B	INVESTOR COMPLAINTS	3 months ended 30.06.2013			
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	15			
	Disposed of during the quarter	15			
	Remaining unresolved at the end of the quarter	Nil			


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 Figures of the last quarter are the balancing figures between audited figures in respect of the previous financial year and unaudited published year to date figures upto third quarter of the previous financial year.
- 4 The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 26th July, 2013.

Goa
26th July, 2013

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For and on behalf of the Board


K.R. Naik
Executive Chairman

