

11<sup>th</sup> August, 2017

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 30<sup>th</sup> June, 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 30<sup>th</sup> June, 2017 along with Auditors Report thereon which was duly approved by Board of Directors of the Company at its Board Meeting held today.

Please find enclosed herewith a copy of limited review report by the Auditors, M/s Deloitte Haskins & Sells LLP, for the quarter ended 30<sup>th</sup> June, 2017.

The Board Meeting commenced at 4.30 p.m. and concluded on 7.45 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.**

Corporate Office : SMARTLINK House, Plot No. 5, Bandra-Kurla Complex Road, Off CST Road, Santacruz (E),  
Mumbai - 400 098, India | Land Phone : +91 22 3061 6666 / 2652 6696 | Fax : +91 22 2652 8914

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, GA, 403722, IN  
Land Phone : +91 832 2885400 | Fax : +91 832 2783395 | [www.smartlink.co.in](http://www.smartlink.co.in)

CIN : L30007GA1993PLC001341

**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 Standalone Unaudited Financial Results of **SMARTLINK NETWORK SYSTEMS LIMITED** ("the Company") for the quarter ended 30<sup>th</sup> June, 2017 ("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 25 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)



Abhijit A. Damle  
Partner  
(Membership No. 102912)

Mumbai, 11<sup>th</sup> August, 2017

## **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 Consolidated Unaudited 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 ended 30<sup>th</sup> June, 2017 ("the Statement"), being submitted by the Holding 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 Holding 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 25 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 Holding 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. The Statement includes the results of the following entities:  
List of Subsidiaries:  
Digisol Systems Limited; Synegra EMS Limited and Telesmart SCS Limited.
4. Based on our review conducted as stated above and based on the consideration of the review report of the other auditor referred to in 5 below, 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.

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# Deloitte Haskins & Sells LLP

5. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim results reflect total revenues of Rs. 2,715,790/- for the Quarter ended 30<sup>th</sup> June, 2017, and total loss of Rs. 2,970,631/- the Quarter ended 30<sup>th</sup> June, 2017, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by another auditor whose report has been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor

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



Abhijit A. Damle  
Partner  
(Membership No. 102912)

Mumbai, 11<sup>th</sup> August, 2017

# 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 UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED 30 <sup>TH</sup> JUNE, 2017					
Sr. No.	Particulars	3 months ended 30.06.2017 (Unaudited)	Preceding 3 months ended 31.03.2017 (Audited) *Refer Note 2	Corresponding 3 months ended 30.06.2016 in the previous year (Unaudited)	(Rs. In lakhs) Previous year ended 31.03.2017 (Audited)
A	<b>CONTINUING OPERATIONS</b>				
I	Revenue from Operations	500.70	396.50	659.55	2,164.21
II	Other Income	92.96	109.39	-	252.31
III	<b>Total Revenue</b>	<b>593.66</b>	<b>505.89</b>	<b>659.55</b>	<b>2,416.52</b>
IV	<b>Expenses</b>				
	a) Employee Benefits Expense	44.46	92.73	74.33	417.41
	b) Finance costs	-	14.73	0.04	14.78
	c) Depreciation and Amortisation Expense	32.73	32.31	27.40	119.89
	d) Other Expenses	115.38	211.09	203.36	681.94
	<b>Total Expenses</b>	<b>192.57</b>	<b>350.86</b>	<b>305.13</b>	<b>1,234.02</b>
V	<b>Profit before exceptional items and tax ( III - IV )</b>	<b>401.09</b>	<b>155.03</b>	<b>354.42</b>	<b>1,182.50</b>
VI	Exceptional Items (Refer Note 3)	-	-	-	312.99
VII	<b>Profit before tax ( V + VI )</b>	<b>401.09</b>	<b>155.03</b>	<b>354.42</b>	<b>1,495.49</b>
VIII	<b>Tax Expenses</b>				
	- Current tax	123.14	38.57	104.71	381.41
	- Deferred tax	4.12	46.25	51.47	445.94
		127.26	84.82	156.18	827.35
IX	<b>Profit from continuing operations (after tax) ( VII - VIII )</b>	<b>273.83</b>	<b>70.21</b>	<b>198.24</b>	<b>668.14</b>
B	<b>DISCONTINUED OPERATIONS</b>				
X	<b>(Loss) from discontinued operations (before tax)</b>	-	-	(375.70)	(485.82)
XI	<b>Tax expense of discontinued operations</b>				
	- Current tax	-	-	(111.20)	(184.25)
	- Deferred tax	-	-	(52.74)	(150.70)
		-	-	(163.94)	(334.95)
XII	<b>(Loss) from discontinued operations (after tax) ( X - XI )</b>	-	-	<b>(211.76)</b>	<b>(150.87)</b>
XIII	<b>Net Profit / (Loss) for the period / year</b>	<b>273.83</b>	<b>70.21</b>	<b>(13.52)</b>	<b>517.27</b>
XIV	<b>Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised) See accompanying notes to the financial results</b>	<b>1.21</b> *	<b>0.29</b> *	<b>(0.05)</b> *	<b>2.12</b>

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**Notes :**

- 1 Figures of the previous quarter/year are re-grouped/re-arranged, wherever necessary
- 2 Figures of the quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the financial year ended 31st March, 2017 and unaudited published year to date figures upto third quarter ended 31st December, 2016.
- 3 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	Corresponding 3 months ended 30.06.2016 in the previous year (Unaudited)	Previous year ended 31.03.2017 (Audited)
Revenue from operations (net)	1,851.77	4,539.25
Other Income	19.31	58.96
Total Income	1,871.08	4,598.21
Total Expenditure	2,246.78	5,084.03
(Loss) before tax	(375.70)	(485.82)
Provision for taxation	(163.94)	(334.95)
Profit / (Loss) after tax	(211.76)	(150.87)

- 4 Consequent to Slump sale (refer note 3 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 ".
- 5 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"). During the quarter, the Company has made an application in terms of sub-section (?) of section 45-IA of the Act, for issue of Certificate of Registration as a Non-Banking Financial Company (Non-Deposit taking).
- 6 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 11th August, 2017.

For and on behalf of the Board



K.R. Naik  
Executive Chairman  
DIN: 00002013

Goa, dated : 11th August, 2017

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# Smartlink Network Systems Limited

CIN : L30007GA1993PLC001341

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

Website : www.smartlink.co.in

## EXTRACT OF STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2017

Particulars	(Rs. in Lakhs)		
	3 months ended 30.06.2017 (Unaudited)	Preceding 3 months ended 31.03.2017 (Audited)	Previous year ended 31.03.2017 (Audited)
Total income from operations (net)	2,041.29	2,103.99	10,529.27
Net Profit / (Loss) from ordinary activities after Tax	(496.05)	(676.74)	(971.25)
Net Profit / (Loss) after taxes, after extraordinary items	(496.05)	(676.74)	(971.25)
Equity Share Capital	451.00	451.00	451.00
Reserves (excluding Revaluation Reserve as shown in Balance Sheet of previous year)	N.A.	N.A.	N.A.
Earnings per share (before extraordinary items) (of Rs. 2/- each) Basic and Diluted	(2.20)	(2.77)	(3.98)
Earnings per share (after extraordinary items) (of Rs. 2/- each) Basic and Diluted	(2.20)	(2.77)	(3.98)

Key standalone financial information is given below:

Particulars	(Rs. In lakhs)		
	3 months ended 30.06.2017 (Unaudited)	Preceding 3 months ended 31.03.2017 (Audited)	Previous year ended 31.03.2017 (Audited)
Income from Operations and other Income	593.66	505.89	2,416.52
Profit Before Tax	401.09	155.03	1,009.67
Profit After Tax	273.83	70.21	517.27

Note : The above is an extract of the detailed format of Quarterly Financial Results filed with Stock Exchanges under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites. (URL of the filing)

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For and on behalf of the Board



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

Goa, dated : 11th August, 2017

# 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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS				
FOR THE QUARTER ENDED 30 <sup>TH</sup> JUNE, 2017				
(Rs. In lakhs)				
Sr. No.	Particulars	3 months ended 30.06.2017 (Unaudited)	Preceding 3 months ended 31.03.2017 (Audited) *Refer Note 1	Previous year ended 31.03.2017 (Audited)
I	Revenue from operations (gross)	2,084.86	2,157.55	10,739.55
	Less : Excise duty	67.13	91.08	365.73
	Revenue from operations (net)	2,017.73	2,066.47	10,373.82
II	Other Income	23.56	37.52	155.45
III	<b>Total Revenue</b>	<b>2,041.29</b>	<b>2,103.99</b>	<b>10,529.27</b>
IV	<b>Expenses</b>			
	a) Cost of raw materials consumed	318.17	970.56	3,619.89
	b) Purchases of traded goods	437.90	1,102.83	4,540.68
	c) Decrease / (Increase) in inventories of Finished goods, Work-in-Progress and traded goods	803.85	(594.96)	(1,723.53)
	d) Employee benefits expense	432.37	528.09	2,088.36
	e) Finance costs	2.63	16.68	16.79
	f) Depreciation and amortisation expense	46.48	45.35	165.17
	g) Other Expenses	368.68	627.35	2,300.75
	<b>Total Expenses</b>	<b>2,410.08</b>	<b>2,695.90</b>	<b>11,008.11</b>
V	<b>(Loss) before tax ( III - IV )</b>	<b>(368.79)</b>	<b>(591.91)</b>	<b>(478.84)</b>
VI	<b>Tax Expenses</b>			
	- Current tax	123.14	38.58	197.16
	- Deferred tax	4.12	46.25	295.25
		127.26	84.83	492.41
VII	<b>Net (Loss) for the period / year ( V - VI )</b>	<b>(496.05)</b>	<b>(676.74)</b>	<b>(971.25)</b>
VIII	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised)	*	*	*
	<i>See accompanying notes to the financial results</i>	(2.20)	(2.77)	(3.98)

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**CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2017**

(Rs. In lakhs)

Sr. No.	Particulars	3 months ended 30.06.2017 (Unaudited)	Preceding 3 months ended 31.03.2017 (Audited)	Previous year ended 31.03.2017 (Audited)
<b>1</b>	<b><u>Segment Revenue (net of Excise duty):</u></b>			
	(a) Investment	500.70	403.83	2,171.54
	(b) Networking Products	1,580.99	1,586.42	8,063.50
	(c) EMS	53.28	225.30	454.91
	<b>Total</b>	<b>2,134.97</b>	<b>2,215.55</b>	<b>10,689.95</b>
	Less: Inter-segment Revenue	117.24	149.08	316.13
	<b>Total Income from Operations (net)</b>	<b>2,017.73</b>	<b>2,066.47</b>	<b>10,373.82</b>
<b>2</b>	<b><u>Segment Results:</u></b>			
	Profit/ (Loss) before tax and finance costs from each segment			
	(a) Investment	296.61	83.59	1,377.04
	(b) Networking Products	(525.13)	(569.58)	(1,625.17)
	(c) EMS	(125.09)	(72.46)	(218.40)
	<b>Total</b>	<b>(353.61)</b>	<b>(558.45)</b>	<b>(466.53)</b>
	Less:			
	(i) Finance Costs (net)	-	16.68	16.79
	(ii) Other un-allocable expenditure net-off un-allocable income	15.18	16.78	(4.48)
	<b>Total Loss before tax</b>	<b>(368.79)</b>	<b>(591.91)</b>	<b>(478.84)</b>
<b>3</b>	<b><u>Capital Employed</u></b>			
	<b><u>Segment Assets</u></b>			
	(a) Investment	27,197.89	27,054.53	27,054.53
	(b) Networking Products	2,958.57	4,623.48	4,623.48
	(c) EMS	222.88	298.27	298.27
	(d) Un-allocated	2,727.16	2,619.37	2,619.37
	<b>Total Assets</b>	<b>33,106.50</b>	<b>34,595.65</b>	<b>34,595.65</b>
	<b><u>Less: Segment Liabilities</u></b>			
	(a) Investment	44.48	100.22	100.22
	(b) Networking Products	775.85	1,673.62	1,673.62
	(c) EMS	79.29	82.26	82.26
	(d) Un-allocated	232.36	268.97	268.97
	<b>Total Liabilities</b>	<b>1,131.98</b>	<b>2,125.07</b>	<b>2,125.07</b>
	<b>Total Capital Employed</b>	<b>31,974.52</b>	<b>32,470.58</b>	<b>32,470.58</b>

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**Notes :**

- 1) Figures of the quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the financial year ended 31st March, 2017 and unaudited published year to date figures upto third quarter ended 31st December, 2016.
- 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	100%	Subsidiary

- 3) 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.
- 4) 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. Therefore, the comparative figures for the quarter ended June 2016 have not been provided. 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:

(Rs. In lakhs)

Particulars	3 months ended 30.06.2017 (Unaudited)	Preceding 3 months ended 31.03.2017 (Audited)	Previous year ended 31.03.2017 (Audited)
Income from Operations and other Income	593.66	505.89	2,416.52
Profit Before Tax	401.09	155.03	1,009.67
Profit After Tax	273.83	70.21	517.27

- 5) 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"). During the quarter, 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).
- 6) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 11th August, 2017.

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For and on behalf of the Board

K.R. Naik

Executive Chairman

DIN: 00002013

Goa, dated : 11th August, 2017