

October 30, 2013

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 September, 2013 along with the Limited Review Report

Pursuant to clause 41 of the Listing Agreement, please find enclosed Un-audited Financial Results for the quarter ended 30th September, 2013 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

Smartlink Network Systems Ltd.

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R&D CENTRE : #10-A, KIADB, Electronic City, Phase-II, Bengaluru - 560 100. India. • Tel.: +91 80 2852 0315/16/17/18
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**INDEPENDENT AUDITORS' REVIEW 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 and Six Months ended 30th September, 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 notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) 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 and Six Months Ended 30th September, 2013 of the Statement, from the details furnished by the Management.

ASU

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

A. Siddharth

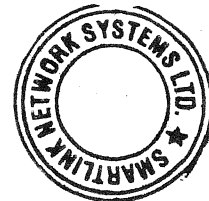
A. Siddharth
Partner
(Membership No. 31467)

Mumbai, 30th October, 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 / SIX MONTHS ENDED SEPTEMBER 30, 2013							
(Rs. In lakhs)							
Sr. No.	Particulars	3 months ended 30.09.2013 (Unaudited)	Preceding 3 months ended 30.06.2013 (Unaudited)	Corresponding 3 months ended 30.09.2012 in the previous year (Unaudited)	Year to date figures for current period ended 30.09.2013 (Unaudited)	Year to date figures for previous period ended 30.09.2012 (Unaudited)	Previous year ended 31.03.2013 (Audited)
1	Income from Operations						
	a) Net sales / Income from Operations (net of excise duty)	4,678.84	3,638.85	3,337.87	8,317.69	5,616.51	11,731.85
	b) Other Operating Income	0.13	0.18	0.07	0.31	0.22	18.72
	Total income from operations (net)	4,678.97	3,639.03	3,337.94	8,318.00	5,616.73	11,750.57
2	Expenses						
	a) Cost of materials consumed	1,035.53	399.55	855.95	1,435.08	1,867.02	2,732.00
	b) Purchase of traded goods	3,913.16	1,810.26	2,149.65	5,723.42	3,236.34	6,203.09
	c) Changes in inventories of finished goods, work-in-progress and traded goods	(1,164.16)	795.09	(137.65)	(369.07)	(402.57)	709.67
	d) Employee benefits expense	664.16	630.50	643.06	1,294.66	1,254.81	2,617.61
	e) Depreciation and amortisation expense	95.55	94.65	96.18	190.20	189.67	388.61
	f) Provision for diminution in value of current investments	919.13	21.81	-	940.94	-	-
	g) Other Expenses	752.80	678.07	815.09	1,430.87	1,491.38	2,922.40
	Total Expenses	6,216.17	4,429.93	4,422.28	10,646.10	7,636.65	15,573.38
3	(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2) (Refer Note 1)	(1,537.20)	(790.90)	(1,084.34)	(2,328.10)	(2,019.92)	(3,822.81)
4	Other Income	194.63	1,199.82	845.19	1,394.45	1,730.23	3,624.90
5	(Loss) / Profit from ordinary activities before finance costs and exceptional items (3 + 4)	(1,342.57)	408.92	(239.15)	(933.65)	(289.69)	(197.91)
6	Finance costs	0.14	0.05	0.36	0.19	0.38	6.81
7	(Loss) / Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	(1,342.71)	408.87	(239.51)	(933.84)	(290.07)	(204.72)
8	Exceptional Items	-	-	-	-	-	-
9	(Loss) / Profit from ordinary activities before tax (7+8)	(1,342.71)	408.87	(239.51)	(933.84)	(290.07)	(204.72)
10	Tax expense	-	-	-	-	-	(2.91)
11	Net (Loss) / Profit for the period (9 - 10)	(1,342.71)	408.87	(239.51)	(933.84)	(290.07)	(201.81)
12	Paid Up Equity Share Capital (Face Value Rs.2/-)	600.10	600.10	600.10	600.10	600.10	600.10
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.	-	-	-	-	-	40,421.23
14	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised)	(4.47)	1.36	(0.80)	(3.11)	(0.97)	(0.67)
	See accompanying notes to the financial results						



PART - II							
SELECT INFORMATION FOR THE QUARTER / SIX MONTHS ENDED SEPTEMBER 30, 2013							
Sr. No.	Particulars	3 months ended 30.09.2013 (Unaudited)	Preceding 3 months ended 30.06.2013 (Unaudited)	Corresponding 3 months ended 30.09.2012 in the previous year (Unaudited)	Year to date figures for current period ended 30.09.2013 (Unaudited)	Year to date figures for previous period ended 30.09.2012 (Unaudited)	Previous year ended 31.03.2013 (Audited)
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of Shares	7,654,274	7,654,274	8,175,127	7,654,274	8,175,127	7,654,274
	- Percentage of Shareholding	25.51%	25.51%	27.25%	25.51%	27.25%	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	21,829,723	22,350,576	21,829,723	22,350,576
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	74.49%	74.49%	72.75%	74.49%	72.75%	74.49%
B	INVESTOR COMPLAINTS	3 months ended 30.09.2013					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	17					
	Disposed of during the quarter	17					
	Remaining unresolved at the end of the quarter	Nil					

Notes :

- 1 Loss from Operations includes the impact of provision for diminution in value of current investments in units of Debt Mutual Funds and corporate bonds. The loss from operations excluding the impact of such diminution would be as follows:

(Rs. In lakhs)

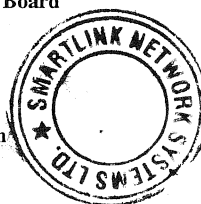
Particulars	3 months ended 30.09.2013 (Unaudited)	Preceding 3 months ended 30.06.2013 (Unaudited)	Corresponding 3 months ended 30.09.2012 in the previous year (Unaudited)	Year to date figures for current period ended 30.09.2013 (Unaudited)	Year to date figures for previous period ended 30.09.2012 (Unaudited)	Previous year ended 31.03.2013 (Audited)
(Loss) from Operations before provision for diminution in value of current investments	(618.07)	(769.09)	(1,084.34)	(1,387.16)	(2,019.92)	(3,822.81)

- 2 The Company operates in a single business segment namely " Networking Products ".
- 3 Figures of the previous quarter/year are re-grouped/re-arranged, wherever necessary.
- 4 The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 30th October, 2013.

For and on behalf of the Board

Mumbai
October 30, 2013

K. R. Naik
Executive Chairman



Statement of Assets and Liabilities

(Rs. In lakhs)

Particulars		As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share Capital	600.10	600.10
	(b) Employee stock options outstanding	137.16	137.16
	(c) Reserves and Surplus	39,863.06	40,800.75
	Sub-total - Shareholders' funds	40,600.32	41,538.01
2	Non-current liabilities		
	(a) Other long-term liabilities	26.31	27.08
	(b) Long-term provisions	81.54	69.54
	Sub-total - Non-current liabilities	107.85	96.62
3	Current liabilities		
	(a) Trade payables	3,280.00	2,038.24
	(b) Other current liabilities	234.81	266.44
	(c) Short-term provisions	88.17	733.46
	Sub-total - Current liabilities	3,602.98	3,038.14
	TOTAL - EQUITY AND LIABILITIES	44,311.15	44,672.77
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	2,780.65	2,943.76
	(b) Non-current investments	227.92	227.92
	(c) Long-term loans and advances	558.05	756.27
	Sub-total - Non-current assets	3,566.62	3,927.95
2	Current assets		
	(a) Current investments	29,179.24	26,847.07
	(b) Inventories	2,116.98	1,595.03
	(c) Trade receivables	3,642.36	2,507.10
	(d) Cash and cash equivalents	5,140.54	8,614.99
	(e) Short-term loans and advances	558.21	418.71
	(f) Other current assets	107.20	761.92
	Sub-total - Current assets	40,744.53	40,744.82
	TOTAL - ASSETS	44,311.15	44,672.77

For and on behalf of the Board

Mumbai
October 30, 2013


K.R. Naik
Executive Chairman

