



Smartlink Network Systems Ltd

Registered Office: L-7, Verna Electronic City, Verna Plateau, Goa - 403 722, Tel +91 832 2885400

January 23, 2012

To,
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: Limited Review Report and Un-Audited Financial Results for the Quarter ended December 31, 2011

Pursuant to Clause 41 of the Listing Agreement, please find enclosed Un-Audited Financial Results for the quarter ending December 31, 2011 along with Limited Review Report of the Statutory Auditors thereon; which was duly approved by the Board of Directors of the Company at its meeting held today.

Kindly 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 and nine months ended 31st December, 2011. 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

Mumbai, dated: 23rd January, 2012

Membership No. 46488

Smartlink Network Systems Limited

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31st December 2011

(Rs in Lakhs)

Sr. No.	Particulars	3 months ended 31.12.2011 (Unaudited)	Previous 3 months ended 30.09.2011 (Unaudited)	Corresponding 3 months ended 31.12.2010 (Unaudited)	Year to date figures for the current period ended 31.12.2011 (Unaudited)	Year to date figures for the previous period ended 31.12.2010 (Unaudited)	Previous accounting year ended on 31.03.2011 (Audited)
1	Sales (Gross)	1,446.48	1,693.93	4,697.97	4,912.06	13,266.17	18,579.01
	Less: Excise Duty	66.25	118.64	192.94	263.68	595.58	830.44
		1,380.23	1,575.29	4,505.03	4,648.38	12,670.59	17,748.57
2	Income from Services	471.67	370.90	322.04	1,062.69	951.48	1,279.96
3	Net sales /Income from Operations (1+2)	1,851.90	1,946.19	4,827.07	5,711.07	13,622.07	19,028.53
4	Other Operating Income	9.44	20.24	109.57	77.37	409.14	474.85
5	Total Income (3+4)	1,861.34	1,966.43	4,936.64	5,788.44	14,031.21	19,503.38
6	Expenditure :						
	a) (Increase)/decrease in stock in trade and work in progress	(757.25)	(738.46)	500.79	(1,579.53)	(240.77)	(426.54)
	b) Consumption of raw materials	806.10	822.30	846.40	2,275.77	2,690.27	3,822.39
	c) Purchase of traded goods	1,070.20	1,196.17	1,828.57	3,186.46	6,246.66	8,717.25
	d) Employee Cost	625.99	637.28	623.65	2,072.02	1,926.91	2,596.35
	e) Depreciation and amortisation	103.87	113.91	203.43	356.04	575.28	757.63
	f) Other Expenditure	841.89	709.54	675.28	1,976.79	1,743.47	2,421.30
	Total Expenditure	2,690.80	2,740.74	4,678.12	8,287.55	12,941.82	17,888.38
7	(Loss)/Profit from Operations before Other Income, Interest and Exceptional Items (5-6)	(829.46)	(774.31)	258.52	(2,499.11)	1,089.39	1,615.00
8	Other Income	758.27	811.16	142.81	2,102.90	366.93	535.76
9	(Loss)/Profit before Interest and Exceptional Items (7+8)	(71.19)	36.85	401.33	(396.21)	1,456.32	2,150.76
10	Interest	2.51	0.38	4.31	4.49	14.68	22.17
11	(Loss)/Profit after Interest but before Exceptional Items (9-10)	(73.70)	36.47	397.02	(400.70)	1,441.64	2,128.59
12	Exceptional items (Refer Note 1)	-	-	-	47,095.08	-	-
13	(Loss)/Profit from ordinary activities before tax (11+12)	(73.70)	36.47	397.02	46,694.38	1,441.64	2,128.59
14	Tax expense						
	a) Current Tax	-	-	120.00	10,200.00	382.00	552.05
	b) Deferred Tax	(144.94)	91.55	(9.39)	(160.11)	(63.63)	(94.35)
	c) Excess Provision for tax in respect of earlier years	13.55	-	14.77	13.55	14.77	14.77
		(131.39)	91.55	125.38	10,053.44	333.14	472.47
15	Net Profit/(Loss) from ordinary activities after Tax (13-14)	57.69	(55.08)	271.64	36,640.94	1,108.50	1,656.12
16	Extraordinary item	-	-	-	-	-	-
17	Net Profit/(Loss) for the period/year (15-16)	57.69	(55.08)	271.64	36,640.94	1,108.50	1,656.12
18	Paid Up Equity Share Capital (Face Value Rs.2/-)	600.10	600.10	600.10	600.10	600.10	600.10
19	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	15,839.53
20	Basic and diluted EPS for the period/for the year to date and for the previous year before and after extraordinary items (not annualised)*	0.19*	(0.18)*	0.91*	122.12*	3.69*	5.52
21	Public Shareholding						
	- Number of Shares	9,250,874	9,802,830	9,802,830	9,250,874	9,802,830	9,802,830
	- Percentage of Shareholding	30.83%	32.67%	32.67%	30.83%	32.67%	32.67%
22	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 sharecapital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	-Number of shares	20,753,976	20,202,020	20,202,020	20,753,976	20,202,020	20,202,020
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	-Percentage of shares (as a % of the total share capital of the Company)	69.17%	67.33%	67.33%	69.17%	67.33%	67.33%



Notes :

- The Company had signed the Business Transfer Agreement on 31st March, 2011 with Schneider Electric India Private Limited ("Schneider") for sale of its Structured cabling business comprising of manufacture, sale and marketing of structured cabling products carried under the brand name "DIGILINK", hereinafter referred to as ("Digilink Business"), on slump sale basis as a going concern for a consideration of Rs. 503 crores to be adjusted for any net working capital adjustments. The same was approved by the Board of Directors at its meeting held on 31st March, 2011 and by the shareholders vide resolution passed through postal ballot on 11th May, 2011. The consideration was received on 13th May, 2011, the Closing date. The balance consideration on account of net working capital adjustments was received during the quarter ending 30th September, 2011. The profit on account of the above transaction is disclosed as an exceptional item. Consequently, the figures for the quarter and nine months ended 31st December, 2011 are not strictly comparable with the corresponding figures for the previous quarter/nine months.

- Details of revenue and expenses of continued and discontinued operations are as below :

(Rs. In lakhs)

Particulars	For the Nine months ending 31st December 2011		
	Continuing Operation	Discontinuing Operation	Total
Turnover (net)	3,500.33	1,148.05	4,648.38
Sale of services	1,062.69	-	1,062.69
Increase/(Decrease) in stocks of finished goods and work-in-progress	1,579.53	-	1,579.53
Other Income	2,146.14	34.13	2,180.27
Total Income	8,288.69	1,182.18	9,470.87
Total Expenditure	8,766.65	1,104.92	9,871.57
(Loss)/Profit before tax and before exceptional items	(477.96)	77.26	(400.70)
Exceptional item	47,095.08	-	47,095.08
Profit before tax	46,617.12	77.26	46,694.38
Provision for tax	10,040.53	12.91	10,053.44
Profit after tax	36,576.59	64.35	36,640.94

Note : The figures for the previous quarter /nine months ending 31st December, 2010 are not given as they are not easily available.

- The Income-tax Assessment for the Assessment year 2008-09 has been completed and the Company has received a Notice of Demand under Section 156 of the Income-tax Act, 1961 for Rs. Rs. 40,297,980/-. The Company has filed an appeal with the Commissioner of Income-Tax (Appeals), Panaji against the said demand. The Company is hopeful of success in the matter.
- The details of Investor Complaints received, disposed off and lying unresolved at the end of the quarter ended 31st December, 2011 (Information provided by the Company's Registrar & Share transfer agents - M/s Karvy Computershare Private Limited):

Complaints at the beginning of the quarter	NIL
Complaints received during the quarter	38
Disposal of Complaints	38
Complaints lying unresolved at the end of the quarter	NIL
- The Company operates in a single business segment namely " Networking Products ".
- Figures of the previous period/quarter/year are re-grouped/re-arranged, wherever necessary
- The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 23rd January, 2012.

For and on behalf of the Board



K.R. Naik
Executive Chairman

Mumbai
23rd January, 2012

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