

23rd May, 2011

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: Audited Financial Results for the Year ended 31st March, 2011, recommendation of Dividend for the year 31st March, 2011 and declaration of Special Interim Dividend.

Pursuant to clause 41 of the Listing Agreement, please find enclosed Audited Financial Results for the year ending 31st March, 2011 which was duly approved by the Board of Directors of the Company at its meeting held today.

The Board of Directors has subject to approval of shareholders, recommended a Dividend of Rs. 2/- per equity share of face value of Rs.2/- each (i.e. 100%) for the financial year 2010-11.

The Board of Directors has declared a Special Interim Dividend of Rs. 30/- per equity share of face value of Rs. 2/- each (i.e. 1500%).

Kindly take note of the above and acknowledge the Receipt.

Thanking You,

Yours Faithfully,

For **SMARTLINK NETWORK SYSTEMS LIMITED**



K. G. PRABHŪ
COMPANY SECRETARY

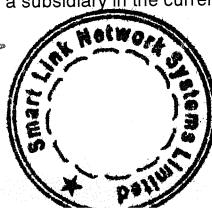
Smartlink Network Systems Limited

L-5, Verna Electronic City, Verna Plateau, Verna, Goa - 403722

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st March 2011

(Rs in Lakhs)				
Sr. No.	Particulars	Current accounting year ended on 31.03.2011 (Audited)	Previous accounting year ended on 31.03.2010 (Audited)	Current accounting year ended on 31.03.2011 (Consolidated) #
1	Sales (Gross)	18,579.01	15,563.20	18,675.12
	Less: Excise Duty	830.44	631.53	830.44
2	Income from Services	17,748.57	14,931.67	17,844.68
3	Net sales /Income from Operations (1+2)	1,279.96	1,685.21	1,279.96
		19,028.53	16,616.88	19,124.64
4	Other Operating Income	474.85	641.60	471.59
5	Total Income (3+4)	19,503.38	17,258.48	19,596.23
6	Expenditure :			
	a) (Increase)/decrease in stock in trade and work in progress	(426.54)	(479.50)	(552.05)
	b) Consumption of raw materials	3,822.39	3,059.24	3,822.39
	c) Purchase of traded goods	8,717.25	6,655.96	8,912.89
	d) Employee Cost	2,596.35	2,597.20	2,617.72
	e) Depreciation and amortisation	757.63	1,179.71	757.65
	f) Other Expenditure	2,421.30	2,208.26	2,488.00
	Total Expenditure	17,888.38	15,220.87	18,046.60
7	Profit from Operations before Other Income, Interest and Exceptional Items (5-6)	1,615.00	2,037.61	1,549.63
8	Other Income	535.76	399.70	535.76
9	Profit before Interest and Exceptional Items (7+8)	2,150.76	2,437.31	2,085.39
10	Interest	22.17	10.26	22.17
11	Profit after Interest but before Exceptional Items (9-10)	2,128.59	2,427.05	2,063.22
12	Exceptional items (net)	-	-	-
13	Profit from ordinary activities before tax (11+12)	2,128.59	2,427.05	2,063.22
14	Tax expense			
	a) Current Tax	552.05	850.00	552.05
	b) Deferred Tax	(94.35)	(227.21)	(94.35)
	c) Excess Provision for tax in respect of earlier years	14.77	17.76	14.77
		472.47	640.55	472.47
15	Net Profit from ordinary activities after Tax (13-14)	1,656.12	1,786.50	1,590.75
16	Extraordinary item	-	-	-
17	Net Profit for the period/year (15-16)	1,656.12	1,786.50	1,590.75
18	Paid Up Equity Share Capital (Face Value Rs.2/-)	600.10	600.10	600.10
19	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	15,839.53	14,880.85	15,774.59
20	Basic and diluted EPS for the period (annualised) , for the year and for the previous year before and after extraordinary item	5.52	5.95	5.30
21	Public Shareholding			
	- Number of Shares	9,802,830	11,090,825	9,802,830
	- Percentage of Shareholding	32.67%	36.96%	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	20,202,020	18,914,025	20,202,020
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	67.33%	63.04%	67.33%

The Consolidated financial results for the year ended 31st March, 2011 includes the results of the 100% subsidiary M/s Digilink Middle East FZE. M/s Digilink FZE became a subsidiary in the current financial year and hence previous year results on Consolidated basis are not included.



Notes :

- The Board of Directors of the Company at its meeting held on 31st March, 2011 approved the sale of the 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"), to Schneider Electric India Private Limited (" Schneider") on slump sale basis as a going concern for a consideration of Rs. 503 crores to be adjusted for any networking capital adjustments. In this connection the Company had signed the Business Transfer Agreement on 31st March, 2011 and the shareholders approved the sale of Digilink Business vide resolution passed through postal ballot with requisite majority on 11th May, 2011. The consideration was received on 13th May, 2011 and the Digilink business has been sold to Schneider on slump sale basis.
- The sale of Digilink business constitutes " discontinuing operations" and disclosures required under Accounting Standard 24 on "discontinuing operations " is given below :

Details of revenue and expenses and assets and liabilities of continued and discontinued operations for standalone financial results :

Particulars	(Rs. In lakhs)			(Rs. In lakhs)		
	Year ended 31st March, 2011			Year ended 31st March, 2010		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Turnover (net)	2,011.47	15,737.10	17,748.57	1,805.27	13,126.40	14,931.67
Sale of services	1,279.96	-	1,279.96	1,685.21	-	1,685.21
Increase/(Decrease) in stocks of finished goods and work-in-progress	345.02	81.52	426.54	(26.63)	506.13	479.50
Other Income	786.67	223.94	1,010.61	764.36	276.94	1,041.30
Total Income	4,423.12	16,042.56	20,465.68	4,228.21	13,909.47	18,137.68
Total Expenditure	5,512.46	12,824.63	18,337.09	5,851.81	9,858.82	15,710.63
Profit / (Loss) before tax	(1,089.34)	3,217.93	2,128.59	(1,623.60)	4,050.65	2,427.05
Provision for taxation	(595.45)	1,067.92	472.47	(697.90)	1,338.45	640.55
Profit / (Loss) after tax	(493.89)	2,150.01	1,656.12	(925.70)	2,712.20	1,786.50
Assets	15,497.89	5,168.16	20,666.05	15,535.61	4,150.44	19,686.05
Liabilities	2,015.15	1,679.21	3,694.36	2,442.41	1,215.89	3,658.30

Details of revenue and expenses and assets and liabilities of continued and discontinued operations for Consolidated financial results is as below :

Particulars	(Rs. In lakhs)		
	Year ended 31st March, 2011 (Consolidated)		
	Continuing Operation	Discontinuing Operation	Total
Turnover (net)	2,011.47	15,833.21	17,844.68
Sale of services	1,279.96	-	1,279.96
Increase/(Decrease) in stocks of finished goods and work-in-progress	345.02	207.03	552.05
Other Income	786.67	220.68	1,007.35
Total Income	4,423.12	16,260.92	20,684.04
Total Expenditure	5,512.47	13,108.35	18,620.82
Profit / (Loss) before tax	(1,089.35)	3,152.57	2,063.22
Provision for taxation	(595.45)	1,067.92	472.47
Profit / (Loss) after tax	(493.90)	2,084.65	1,590.75
Assets	15,422.86	5,293.66	20,716.52
Liabilities	2,130.55	1,679.21	3,809.76

3 Statement of Assets and Liabilities as on 31.03.2011

Particulars	(Rs. In lakhs)		
	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 Consolidated
SHAREHOLDER'S FUNDS			
a) Share Capital	600.10	600.10	600.10
Employees Stock Options Outstanding	137.15	144.19	137.16
b) Reserves and Surplus	16,234.44	15,283.46	16,169.50
Loan Funds	-	-	-
Deferred Tax Liabilities (Net)	99.56	193.91	99.56
TOTAL	17,071.25	16,221.66	17,006.32
APPLICATION OF FUNDS			
Fixed Assets	3,779.86	4,330.80	3,780.06
Investments	8,997.45	9,264.72	8,815.36
Current Assets, Loans and Advances			
(a) Inventories	2,226.19	1,713.22	2,351.70
(b) Sundry Debtors	3,536.75	2,681.18	3,611.05
(c) Cash and Bank Balances	1,304.22	533.66	1,333.17
(d) Loans and Advances	821.58	1,162.47	825.18
Less: Current Liabilities & Provisions			
(a) Current Liabilities	2,721.44	2,388.57	2,835.83
(b) Provisions	873.36	1,075.82	874.37
TOTAL	17,071.25	16,221.66	17,006.32

- The Board of Directors has subject to the approval of shareholders recommended a dividend of Rs.2/- per equity share of face value of Rs.2/- each (i.e., 100%) for financial year 2010-11.
- The Board of Directors has declared a Special Interim Dividend of Rs. 30/- per equity share on face value of Rs. 2/- each (i.e., 1500%). The payment of interim dividend shall be made to all shareholders from 8th June, 2011 onwards.
- The Company has not received any investor complaints for the quarter ending 31st March, 2011 and the company did not have any investor complaints pending on 1st January, 2011 and on 31st March, 2011.
- The Company operates in a single business segment namely " Networking Products ".
- Previous year figures have been re-arranged or re-grouped wherever necessary.
- The above audited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 23rd May, 2011.

For and on behalf of the Board

K. R. Naik
Executive Chairman

Mumbai
23rd May, 2011.

