

**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 ended 30th June, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of 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 specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, 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 with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter Ended 30th June, 2014 of the Statement, from the details furnished by the Management.

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



Abhijit A. Damle
Partner
(Membership No. 102912)

GOA, July 25, 2014

Smartlink Network Systems Limited

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

PART I					
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014					
(Rs. In lakhs)					
Sr. No.	Particulars	3 months ended 30.06.2014 (Unaudited)	Preceding 3 months ended 31.03.2014 (Audited) *Refer Note 3	Corresponding 3 month ended 30.06.2013 in the previous year (Unaudited)	Previous year ended 31.03.2014 (Audited)
1	Income from Operations				
	a) Net sales / Income from Operations (net of excise duty)	2,715.58	2,955.79	3,638.85	14,961.52
	b) Other Operating Income	-	22.70	0.18	23.03
	Total income from operations (net)	2,715.58	2,978.49	3,639.03	14,984.55
2	Expenses				
	a) Cost of materials consumed	540.86	624.33	399.55	2,942.33
	b) Purchase of traded goods	1,039.14	2,418.22	1,810.26	10,173.81
	c) Changes in inventories of finished goods, work-in-progress and traded goods	610.90	(597.50)	795.09	(953.93)
	d) Employee benefits expense	570.18	561.76	630.50	2,440.09
	e) Depreciation and amortisation expense (Refer Note 1)	104.90	87.09	94.65	369.53
	f) Diminution in value of current investments - (write back) / provision	(283.58)	(282.49)	-	326.13
	g) Other Expenses	494.88	571.17	699.88	2,618.94
	Total Expenses	3,077.28	3,382.58	4,429.93	17,916.90
3	(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(361.70)	(404.09)	(790.90)	(2,932.35)
4	Other Income	854.26	540.58	1,199.82	2,339.64
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	492.56	136.49	408.92	(592.71)
6	Finance costs	0.29	0.96	0.05	1.30
7	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	492.27	135.53	408.87	(594.01)
8	Exceptional Items	-	-	-	-
9	Profit / (Loss) from ordinary activities before Tax (7+8)	492.27	135.53	408.87	(594.01)
10	Tax expense	-	(364.17)	-	(384.71)
11	Net Profit / (Loss) for the period (9-10)	492.27	499.70	408.87	(209.30)
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.				39,509.84
14	Basic and Diluted Earnings per share (of Rs. 2/- each) (*not annualised)	1.64*	1.66*	1.36*	(0.70)
	<i>See accompanying notes to the financial results</i>				

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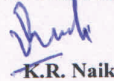
PART - II					
SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014					
Sr. No.	Particulars	3 months ended 30.06.2014	Preceding 3 months ended 31.03.2014	Corresponding 3 month ended 30.06.2013 in the previous year	Previous year ended 31.03.2014
A PARTICULARS OF SHAREHOLDING					
1	Public Shareholding				
	- Number of Shares	7,654,274	7,654,274	7,654,274	7,654,274
	- Percentage of Shareholding	25.51%	25.51%	25.51%	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	22,350,576	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%	74.49%	74.49%
B	INVESTOR COMPLAINTS	3 months ended 30.06.2014			
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	8			
	Disposed of during the quarter	8			
	Remaining unresolved at the end of the quarter	Nil			

Notes :

- Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), effective 1st April, 2014, the Company has revised the estimated useful lives of its fixed assets to ensure compliance with the stipulations of Schedule II to the Act, only for assets whose lives were longer than as prescribed by the said Schedule. Accordingly, the unamortized depreciable amounts of the fixed assets are being charged over the revised remaining useful lives. This has the impact of increasing depreciation charge for the quarter by Rs. 31.69 lakhs. Further, in accordance with the stipulation of the said Schedule, written down value of fixed assets, whose lives have expired as at 1st April, 2014, aggregating Rs. 23.79 lakhs have been adjusted against the retained earnings.
- The Company operates in a single business segment namely " Networking Products ".
- Figures of the quarter ended 31st March, 2014 are the balancing figures between audited figures in respect of the financial year ended 31st March, 2014 and unaudited published year to date figures upto third quarter ended 31st December, 2013
- The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 25th July, 2014.

Goa
25th July, 2014

For and on behalf of the Board


K.R. Naik

Executive Chairman



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