

July 25, 2023

To,  
The Manager-Corporate Relationship Dept.  
BSE Limited,  
Listing Department  
P. J. Towers, 1<sup>st</sup> Floor,  
Dalal Street, Fort, Mumbai 400 001

To,  
The Manager – Corporate Compliance  
National Stock Exchange of India Ltd,  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

**Scrip Code: BSE: 532419**

**NSE: SMARTLINK**

**Sub: Annual Report for the Financial Year 2022-23 and Notice convening the 30<sup>th</sup> Annual General Meeting**

Dear Sir/Madam,

We wish to inform you that the 30<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on Friday, August 25, 2023 at 11:00 a.m. IST at the registered office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa – 403722.

Pursuant to Regulations 30 and 34 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (“Listing Regulations”), we are submitting herewith the Annual Report of the Company for FY 2022-23 together with the Notice of 30<sup>th</sup> AGM of the Company, which is being sent through electronic mode today to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent / Depository Participant(s), in accordance with the MCA Circulars and SEBI Circulars.

Members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. Friday, August 18, 2023, may cast their vote by remote e-Voting before the AGM or by poll during the AGM. The remote e-Voting period commences on Tuesday, August 22, 2023, at 10:00 a.m. (IST) and ends on Thursday, August 24, 2023, at 5:00 p.m. (IST). Detailed instructions pertaining to remote e-Voting are provided in Notice of the AGM.

The Notice of the 30<sup>th</sup> AGM and Annual Report for the Financial year 2022-23 of the Company is also available on the website of the Company at [www.smartlinkholdings.com](http://www.smartlinkholdings.com).

Kindly take the aforesaid information on record.

Thanking You,

For **SMARTLINK HOLDINGS LIMITED**

**URJITA DAMLE**  
**COMPANY SECRETARY**  
**ACS 24654**

**SMARTLINK HOLDINGS LIMITED**

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

Corporate Office : CITIPOINT, 7th Floor, Unit No. B-702, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400059, INDIA  
Land Phone : +91 22 4961 7068

## SMARTLINK HOLDINGS LIMITED

CIN: L67100GA1993PLC001341

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403 722.  
Tel: 0832-2885400, Fax: 0832-2783395, Website: www.smartlinkholdings.com  
E-mail id: Company.Secretary@smartlinkholdings.com

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth (30<sup>th</sup>) Annual General Meeting of Smartlink Holdings Limited will be held on Friday, August 25, 2023 at 11:00 A.M. IST at the registered office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa, 403722 to transact the following business:

#### ORDINARY BUSINESS:

##### 1. Adoption of Financial Statements

To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023, together with the Report of the Board of Directors and Auditors thereon;

##### 2. Appointment of Mr. K. R. Naik (DIN 00002013) as Director, liable to retire by rotation

To appoint a Director in place of Mr. K. R. Naik (DIN 00002013) who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board  
For Smartlink Holdings Limited

Place : Mumbai

Dated : May 17, 2023

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

Urjita Damle  
Company Secretary

#### NOTES:

1. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in an aggregate not more than 10% of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of the Companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

3. During the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided that not less than three days' notice in writing to inspect is given to the company.

4. The Company's Registrar & Share Transfer Agents (RTA) are:

Kfin Technologies Limited  
Unit: Smartlink Holdings Limited  
Selenium Tower B, Plot No 31 & 32  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad – 500 032, Telangana  
Toll Free No: 1800 309 4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

5. Shareholders are requested to notify any change of address:

- to their Depository Participants (DPs) in respect of the shares held in Demat form, and
- to the Company to its Legal Department at the Registered Office at Verna, Goa in respect of the shares held in physical form.
- In case the mailing address mentioned on this Annual Report is without the PIN CODE, inform your DP or the Company, as mentioned above.

6. In view of the relaxations given by Ministry of Corporate Affairs ("MCA") vide General Circular No. 10/2022 dated December 28, 2022 read with MCA General Circular Nos. 02/2022, 20/2020, 17/2020 & 14/2020 dated May 05, 2022, May 05, 2020, April 13, 2020 and April 08, 2020 respectively (collectively referred to as MCA Circulars) and SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, the Annual Report including Financial Statements, Auditor's Report, Board Report, Notice of AGM, along with all the annexures and attachments thereof is being sent through email to those Members whose email addresses are registered with the Company /Depositories and no physical copy of the same will be sent by the Company. Members may note that the Notice and Annual Report of the Company for the financial year 2022-23 will also be available on the Company's website [www.smartlinkholdings.com](http://www.smartlinkholdings.com) and website of the Stock Exchanges. However, the Shareholders of the Company may request physical copy of the Notice and Annual Report from the Company by sending a request at [company.secretary@smartlinkholdings.com](mailto:company.secretary@smartlinkholdings.com) in case they wish to obtain the same.

7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2022/8 dated January 25, 2022, has w.e.f. January 24, 2022 mandated listed companies to issue securities in dematerialised form while processing service request for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition, etc..

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Kfin Technologies Limited for assistance in this regard.

SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/70 dated May 25, 2022 has simplified the procedure and standardised the format of documents for transmission of securities and issuance of duplicate securities certificates. Members are requested to submit their requests, if any, along with documents as per the said circulars.

8. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has extended the timeline for mandatory furnishing of PAN, nomination, contact details (postal address with PIN, mobile number & E-mail address), bank account details (bank name & branch, bank account number and IFSC code) and specimen signature ('mandatory KYC'), by security holders holding securities in physical form up to September 30, 2023. Accordingly, Members holding shares in physical form are requested to complete the mandatory KYC by sending an E-mail request along with duly signed forms to KFin at the E-mail ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), before September 30, 2023. As per SEBI circular, non-availability of any of the above documents/details with KFin on or after October 01, 2023 will result in freezing of the physical shareholders' folios.

Members holding shares in demat form are requested to submit/update their KYC details with their respective Depository Participant.

9. The Register of members and share Transfer Books of the Company shall remain closed from Friday, August 11, 2023 to Thursday, August 17, 2023 (both days inclusive) for the purpose of AGM.
10. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. Once the amount and shares are transferred by the Company to IEPF, no claim thereof shall lie against the Company. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to Directors' Report which is a part of Annual Report.
- The Company has uploaded the information in respect of the unclaimed amounts lying with the Company as on March 31, 2023 on the website of IEPF viz. ([www.iepf.gov.in](http://www.iepf.gov.in)) and under "Investor Relations" on the website of the Company viz. [www.smartlinkholdings.com](http://www.smartlinkholdings.com).
11. Shareholders are advised to avail of the facility for receipt of future dividends (if any) through National Electronic Clearing Service (NECS). The NECS facility is available at the specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility. The Company or its Registrar and Transfer Agent, Kfin Technologies Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Shareholders holding shares in physical form and desirous of either registering bank details or changing bank details already registered against their respective folios are requested to send a request letter for updating Bank Account No. with 9-digit MICR No. to our Registrar and Share Transfer Agent or to the Company with attested copy of your PAN Card and a photo copy of your cheque leaf (to capture correct bank account no, IFSC Code and 9-digit MICR Code).
12. Members can avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form may send their nomination in the prescribed form duly filled to Kfin Technologies Limited (RTA) at the above-mentioned address.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
15. Registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost.
16. The Company has designated [Company.Secretary@smartlinkholdings.com](mailto:Company.Secretary@smartlinkholdings.com) e-mail id for quick Redressal of shareholders/investors grievances.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.
18. To support the 'Green Initiative' in Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA, if shares are held in physical mode or with the Depository Participant if the shares are held in electronic mode.
19. All the Members wishing to ask questions during the 30<sup>th</sup> Annual General Meeting should forward them to the registered office, 7 days before the date of Annual General Meeting.
20. In Compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, Company is pleased to provide its Members, the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting platform provided by KFin Technologies Limited on all resolutions set-forth in this Notice. Members may refer to the instructions provided under "Procedure for E-Voting" section in the subsequent pages of this Notice.
21. The Board of Directors has appointed CS Shivaram Bhat, Practicing Company Secretary, as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
22. The Results shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
23. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorized by him in writing will declare the result of voting forthwith.
24. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.smartlinkholdings.com](http://www.smartlinkholdings.com)) and on the Service Provider's website (<https://evoting.kfintech.com>) and will be communicated to BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

## PROCEDURE FOR E-VOTING

### I. ACCESS TO DEPOSITORIES E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1. <b>User already registered for IDeAS facility:</b> <ol style="list-style-type: none"> <li>a) Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>b) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>c) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>d) Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. <b>User not registered for IDeAS e-Services:</b> <ol style="list-style-type: none"> <li>a) To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>b) Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>c) Proceed with completing the required fields.</li> <li>d) Follow steps given in points 1</li> </ol> </li> <li>3. <b>Alternatively by directly accessing the e-Voting website of NSDL:</b> <ol style="list-style-type: none"> <li>a) Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>b) Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>c) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>d) Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech.</li> <li>e) On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. <b>Existing users who have opted for Easi / Easiest:</b> <ol style="list-style-type: none"> <li>a) Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>b) Click on New System Myeasi</li> <li>c) Login with your registered user id and password.</li> <li>d) The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal.</li> <li>e) Click on e-Voting service provider name to cast your vote.</li> </ol> </li> <li>2. <b>User not registered for Easi/Easiest:</b> <ol style="list-style-type: none"> <li>a) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>b) Proceed with completing the required fields.</li> <li>c) Follow the steps given in point 1.</li> </ol> </li> <li>3. <b>Alternatively, by directly accessing the e-Voting website of CDSL:</b> <ol style="list-style-type: none"> <li>a) Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>b) Provide your demat Account Number and PAN No.</li> <li>c) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>d) After successful authentication, user will be provided links for the respective ESP, i.e. KFinTech where the e-Voting is in progress.</li> </ol> </li> </ol>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on options available against company name or e-Voting service provider – <b>KFinTech</b> and you will be redirected to e-Voting website of <b>KFinTech</b> for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>

**Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

## II. ACCESS TO KFINTECH E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

### Login method for e-Voting for Non-individual shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

- Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
  - Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
  - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
  - After entering these details appropriately, click on "LOGIN".
  - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - You need to login again with the new credentials.
  - On successful login, the system will prompt you to select the "EVEN" i.e., 'SMARTLINK HOLDINGS LIMITED- AGM' and click on "Submit"
  - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - You may then cast your vote by selecting an appropriate option and click on "Submit".
  - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_Event No." The document should reach the Scrutinizer and such other person on or before Thursday August 24, 2023 at 5:00 P.M.
- Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
  - Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFinTech, by accessing the link: <https://ris.kfintech.com/client/services/mobileereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).
  - Alternatively, member may send an e-mail request at the email id [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

## GENERAL INSTRUCTIONS ON REMOTE E-VOTING

- The remote e-voting period commences on Tuesday, August 22, 2023 at 10:00 a.m. and ends on Thursday, August 24, 2023 at 5:00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Friday, August 18, 2023 may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The voting rights of the Members shall be in proportion to their shareholding in paid up equity share capital of the Company, subject to the provisions of the section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being Friday, August 18, 2023.
- A member can opt for only one mode of voting, i.e. either by e-voting or through poll at the AGM. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot form of that member shall be treated as invalid.
- Facility of voting through Poll paper shall also be made available at the Meeting. Members attending the Meeting, who have not exercised their right to vote through remote e-voting or ballot may vote at the AGM through poll paper for all businesses specified in the accompanying Notice.
- Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
- In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL	MYEPWD <SPACE> IN12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for Physical	MYEPWD <SPACE> XXXX1234567890
  - If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech on the email id [evoting@kfintech.com](mailto:evoting@kfintech.com) or write to Mrs. C Shobha Anand, Contact No. 040-67162222, at [Unit: Smartlink Holdings Limited] KFin Technologies Limited, KFinTech Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, members are requested to refer to the instructions provided under "Procedure for E-Voting" section in the subsequent pages of this Notice to cast the vote.
- In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech Website) or contact Mrs. C Shobha Anand, Contact No. 040-67162222 for any further clarifications.

By order of the Board

Urjita Damle  
Company Secretary

Place : Mumbai  
Date : May 17, 2023  
Regd. Add: L-7, Verna Industrial Estate, Verna,  
Salcete, Goa – 403722

**Details of Director seeking appointment/reappointment at the Thirtieth Annual General Meeting  
(Pursuant to Regulation 36(3) of SEBI Listing Regulations 2015)**

<b>Name of Director</b>	<b>Mr. Kamalaksha Naik</b>
<b>Director Identification Number (DIN)</b>	00002013
<b>Designation/ category of Director</b>	Executive Director
<b>Date of Birth</b>	19/11/1947
<b>Date of first appointment on the Board</b>	31/03/1993
<b>Brief Resume</b>	<p>Mr. K. R. Naik is the founder of Smartlink Holdings Limited.</p> <p>He joined the Company as the Director on 31st March 1993. His vision to be a leading player in the Digitally connected world, by offering a complete value proposition from product design to customer delight. He has over four decades of experience in the networking industry.</p> <p>He holds a Post Graduate Degree in Industrial Engg. from Jhunjunwala College, Mumbai and a Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India and worked in the design and development of parts and products in IBM.</p>
<b>Disclosure of relationship between Director inter-se</b>	Related to Ms. Arati Naik, Executive Director of the Company.
<b>Names of the Public entities in which she/he holds directorships</b>	1. Digisol Systems Limited 2. Synegra EMS Limited
<b>Chairman/Member of the Committee(s) of Board of Directors of other Public Entities</b>	None
<b>Shareholding in the Company (No. of shares)</b>	48,00,163 Equity Shares
<b>No. of Board Meetings attended</b>	6

By order of the Board

Place : Mumbai

Date : May 17, 2023

Regd. Add: L-7, Verna Industrial Estate, Verna,  
Salcete, Goa – 403722

**Urjita Damle**  
Company Secretary

# ATTENDANCE SLIP

## SMARTLINK HOLDINGS LIMITED

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 • CIN: L67100GA1993PLC001341  
Tel: 0832-2885400, Fax: 0832-2783395 • Website: www.smartlinkholdings.com • Email id: Company.Secretary@smartlinkholdings.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*:	Folio No.:
Client Id:	No. of Shares:

Name and Address of the Shareholder: \_\_\_\_\_

I/We hereby record my / our presence at the 30<sup>th</sup> Annual General Meeting of the Company on Friday, 25<sup>th</sup> day of August, 2023 at the Registered Office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 at 11.00 A.M.

\*Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of the Shareholder/Proxy

.....cut here.....

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### SMARTLINK HOLDINGS LIMITED

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 • CIN: L67100GA1993PLC001341  
Tel: 0832-2885400, Fax: 0832-2783395 • Website: www.smartlinkholdings.com • Email id: Company.Secretary@smartlinkholdings.com

Name of the member(s): \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Registered address: \_\_\_\_\_ Folio No./Client Id: \_\_\_\_\_  
DP/ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of Smartlink Holdings Limited, hereby appoint

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail id: \_\_\_\_\_ or failing him;  
(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail id: \_\_\_\_\_ or failing him;  
(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail id: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, August 25, 2023 at 11:00 a.m. at the registered office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Optional*		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023, together with the Report of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Kamalaksha Rama Naik (DIN 00002013) who retires by rotation and being eligible, offers himself for re-appointment.			

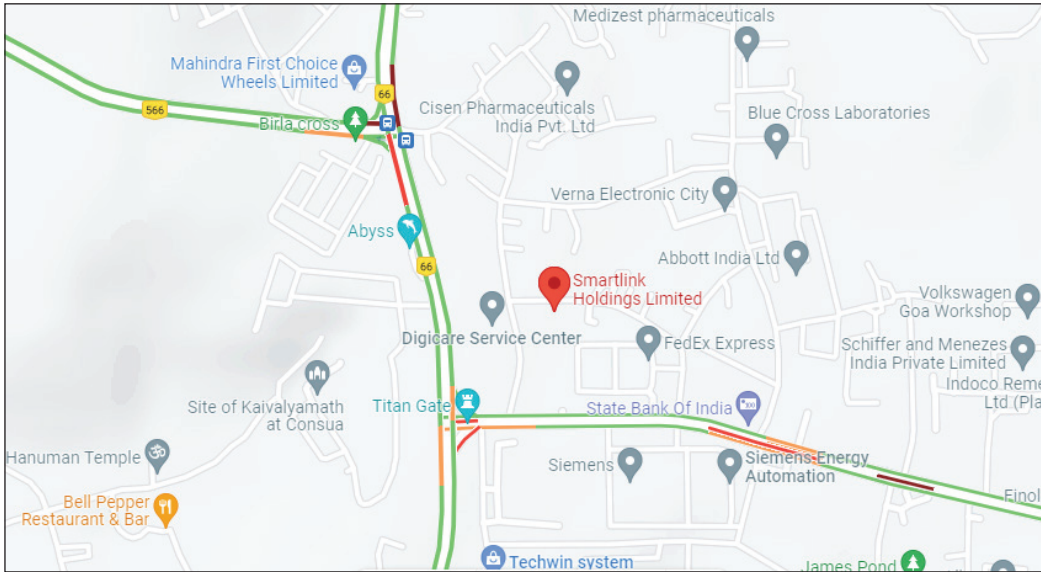
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 Signature of shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of First Proxy holder

\_\_\_\_\_  
Signature of Second Proxy holder

\_\_\_\_\_  
Signature of Third Proxy holder

Affix  
Revenue  
Stamp of  
not less  
than ₹ 1/-



.....cut here.....

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.
4. \*This is only Optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' 'Against' or 'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Please complete all details including details of member(s) in above box before submission.





**ANNUAL REPORT**  
**2022-23**

**SMARTLINK HOLDINGS LIMITED**

**DIGISOL**<sup>®</sup>

**SYNEGRA**<sup>®</sup>

**1<sup>st</sup>**   
**INDIAN  
BRAND**  
IN IT NETWORKING



# Group Vision

To be a leading player in the Digitally Connected World, by offering a complete value proposition from product design to customer delight.

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*Smartlink Holdings Ltd. is an NBFC with two subsidiaries namely, Digisol Systems Ltd. and Synegra EMS Ltd.*

*Digisol Systems Ltd. is a networking brand products company with a portfolio of over 200+ products.*

*Synegra EMS Ltd. is a highly versatile products manufacturing company with capabilities in a wide range of IT and Telecom products.*

## **K. R. Naik**

Executive Chairman

# Chairman's Message

Dear Shareholders,

It is my proud privilege to present to you the annual report for the year ended 31<sup>st</sup> March, 2023.

The past year has been quite a turbulent one for the global economy impacted by profound shocks and much uncertainties. The global economic growth has moderated amidst a prolonged Russia-Ukraine war although the effect of the pandemic has receded. IMF projects world growth to bottom out at 2.8% this year. Against the backdrop of global uncertainties, the Indian economy has remained resilient.

Looking ahead, RBI has projected real GDP growth at 6.5% in FY2024. India has completed 75 years of independence and is marching ahead at a fast pace to take its place as one of the leading economies of the world. The nation is undergoing social and economic transformation, unmatched in history, and has set its sights on achieving the US\$ 5 trillion GDP mark.

It was an eventful year for us and I'm confident that the decisions we made and various actions that we took will help us offset cost inflation and improve our resiliency. Our restructuring continued and we reduced the number of subsidiaries by merging the activities of Telesmart SCS Ltd. into Digisol Systems Ltd. Smartlink Holdings Ltd. continues to be an NBFC with assets and cash investments including investments in the two subsidiary companies viz. Digisol Systems Ltd. and Synegra EMS Ltd.

Digisol Systems Ltd. has a portfolio of over 200+ products across the IT networking spectrum marketed under the brand name 'Digisol'. Digisol Systems Ltd. is a brand company primarily engaged in marketing and support of Active and Passive networking solutions as well as the Enterprise range. It continues to broaden its offerings as per the market needs. In

keeping with the 'Make in India' programme, we have introduced new generation 'Made in India' products. As Digisol builds its brand as an independent entity, it sources products not just from Synegra but from any vendor in the world in line with its business objectives.

Digisol has introduced new products like Next-Gen Wi-Fi 6 wireless products & solutions, SMB and SME 10G fiber networking switches, media converters and enterprise wireless products and full range of FTTH products based on the changing needs of the market. Our 'Made in India' products like XPON ONU's, EPON and GPON OLT's, networking switches and enterprise wireless products are steadily gathering momentum in the marketplace.

Synegra EMS Ltd., is the manufacturing subsidiary of Smartlink Holdings Ltd. Synegra has an extensive certified manufacturing facility in Goa capable of manufacturing a wide range of products like PCB assemblies, latest FTTH and Wi-Fi products, Telecom products and Defense application products. It also manufactures a wide range of passive products including Structured Cabling products. Synegra manufactures products for Digisol and also undertakes manufacture of ODM products for various brand companies.

Synegra has upgraded its facilities and added a new SMT line to further improve its manufacturing capability and extend its product range.

Recently, Synegra expanded its activities and ventured into manufacturing of chargers for electric vehicles. Its manufacturing facility is suited for both domestic and export markets and the 'Make in India' initiative of Government of India, has further enhanced its competitiveness.

The business overview section gives more details about the product offerings of both Digisol and Synegra.

Our performance during the year under review showed healthy growth and Revenue from Operations increased to INR 16,305.26 lakh from INR 7,950.18 lakh in the previous year. The Total Income for the year doubled to INR 16,433.94 lakh as compared to

INR 8,043.14 lakh in the previous year. As part of our ongoing restructuring exercise, the company sold its property at Mumbai, which resulted in an exceptional income of INR 2,091.57 lakh. The Profit After Tax for the year stood at INR 1,923.94 lakh as against INR 1,031.60 lakh in the previous year.

The IT networking industry is growing at a very rapid pace and in this scenario, the brands assume increased importance. The market is fiercely competitive and the brand holds the key to our long-term success. Today, on the strength of our world-class products, we are able to offer a fantastic user experience. We employ cutting edge technologies and state-of-the-art solutions to offer a seamless networking experience to our customers, keeping our finger always on market developments. We support our electrical contractors, technicians and channel partners and organize training programmes and various schemes for them.

Our objective is to significantly increase our presence across the country and penetrate into new territories to ensure that people throughout the country have access to our services. We continue to make progress in our business transformation which is helping us to strengthen our position in the market and helping us to deliver innovation and choice to our customers. Smartlink is well positioned to take on any challenges in the future.

In conclusion, I would like to thank our Employees, Distributors, Channel partners, System integrators, Tech partners and Vendors for the commitment and support. I would like to thank the government officials, associates, customers and our shareholders for their continued trust, confidence and support. We will strive to build a better tomorrow for all our stakeholders.

Thanking you,

Yours sincerely,

**K. R. Naik**  
Executive Chairman

# Business Overview

## SMARTLINK HOLDINGS LIMITED

Smartlink Group has been in the Networking Products business for more than three decades and involved in sourcing, manufacturing, sales, marketing, and support. The Company has undertaken a restructuring exercise and now has two independent subsidiaries, namely, DIGISOL Systems Limited and SYNEGRA EMS Limited to grow the businesses in a focused manner using its expertise of over three decades. Smartlink Holdings Ltd. is now an NBFC with assets and cash investments which includes investment in the two subsidiary companies.

## DIGISOL SYSTEMS LTD.

The IT networking industry grows by leaps and bounds every year; however, the one thing that stays comparatively constant is the brand. Due to the technology industry's accelerated evolution, brands take on increased importance by providing an effective counterbalance to what buyers perceive as constant change, clutter, and confusion. While we strive to push the boundaries with our marketing activities, we accord great importance to brand building, which will ensure our long-term success. DIGISOL has established its brand positioning as a '1<sup>st</sup> Indian Brand in IT Networking Solutions', that offers products of global standards, credibility and delivers a fantastic user experience. DIGISOL has carried out various initiatives like DIGISOL Cash Karo Loyalty Program to enhance the relationship with existing Electricians, Technicians and Partners by giving them a chance to earn more loyalty points on their purchase of DIGISOL products; DITT (DIGISOL Institute of Technical Training) where we aim to train/educate Network Engineers, Channel Partners and ISPs by consistently delivering quality training programs which are always in sync with the market demand and DIGISOL Premium Partners Program to build relationships with the partners by rolling out various Sales Scheme for both Active and Passive range of products. Post covid DIGISOL has rolled out Made In India Scheme and is planning to roll out more Schemes in the future. Now, most of Digisol's products are TEC certified like DG-GR1321, DG-GR6821AC, DG-GS1528, etc.



### Active Networking Products

DIGISOL offers a wide range of active networking products with a portfolio encompassing over 200+ products across the IT networking spectrum. Marketed under the brand name DIGISOL, these products incorporate world class quality and are backed by Synegra's own manufacturing facility and a nationwide distribution network. The Company offers call-based technical support backed by a strong in-house service team. DIGISOL has been steadily working towards introducing new products like Next Gen Wi-Fi 6 wireless products and solutions, SMB and SME 10G fiber networking switches, Media converters and Enterprise wireless products and a full range of FTTH Products based on the changing needs of the market. DIGISOL has introduced a new generation of Made in India products like XPON ONUs, EPON and GPON OLTs and Networking switches. These also include products manufactured by the Group's manufacturing arm Synegra EMS.

Telesmart SCS Ltd has been merged into Digisol Systems Ltd. which gives Digisol an added advantage of providing Sales, Marketing and Service Support through manufacturing a wide range of Structured Cabling Products. The product range includes - Solid Cable, Keystones, Patch Panels, Copper Patch Cord, Faceplates, Fiber Patch Cords, Fiber LIUs, Splitters etc.

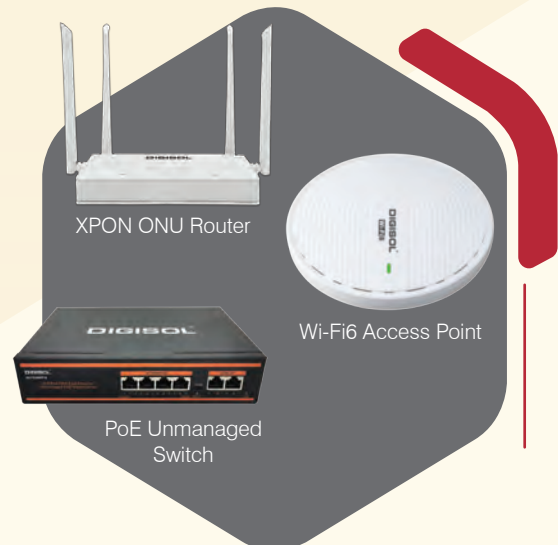
The company is also in the production of copper connection components with high bandwidth applications and the fiber range of products includes equipment for testing and assembly.

### Structured Cabling System (SCS)

Digisol's Copper range of products includes end-to-end cabling solution (Cat5e, Cat6 & Cat6A), UTP/STPLAN Cables, Patch Panels/ Patch Cords, Keystones and Faceplates. The fiber range includes Fiber cables, Fiber connectors, Couplers, LIUs, Fiber patch cords, Fiber Pigtailed, etc. The Company's cabling products adhere to EIA/TIA, ISO/IEC and UL, ETL international standards. The RoHS compliant 'Made in India' products are backed by international 25 years product performance warranty.

### DIGISOL Enterprise SCS range

Technology is rapidly evolving and along with it the needs of business. With the latest technologies like 5G, IoT, Wi-Fi 6,



SDN and Cloud coming in and with large connectivity sites like SMART CITY, there is a need for high speed and high-quality products. DIGISOL launched the ConvergeX series Future Ready Structured Cabling Solution under its New DIGISOL Enterprise structured cabling system. The DIGISOL "ConvergeX" range is ideal for such applications with PoE connectivity. Its contacts are with 50 microns gold plating and the kit has solder-less contact joints to avoid rusting on long term use. The name DIGISOL ConvergeX is a combination of the word 'Converge' that stands for a single network that unifies and carries a combination of data, voice and video traffic, while X stands for Xtreme speed. The ConvergeX enterprise structured cabling series aims to enhance the way enterprises work and unlock immense opportunities for the future.

### DIGISOL Channel SCS range

The range of Digisol & Telesmart's Passive Networking products includes Copper, Fiber and FTTH solutions. All DIGISOL SCS Products adhere to EIA/TIA, ISO/IEC, and UL international standards. These RoHS compliant products are backed by 25 years international product warranty for performance. With its strong presence in SMB & Enterprise segments, DIGISOL works closely with regional and national system integrators for enhanced presence in large scale projects. DIGISOL's Structured Cabling Systems fulfil the network connectivity needs of medium to small businesses and home networks.

### Brand Building: The key to DIGISOL's success

Brand building has always been accorded top priority at DIGISOL. While it is important to provide finest quality products of the latest technology, the way in which the consumer perceives the brand is equally important,



especially from the long-term perspective. DIGISOL will continue to invest in educating the channel community, system integrators and large base of Electrician / Installers who interact with the end consumers and play a strong role in building the brand. The Company's brand building efforts also include participation in the leading industry events, trade shows and expos and inshop branding at retail stores. In addition to traditional advertising in India, DIGISOL is active in the digital space with an engaging website [www.digisol.com](http://www.digisol.com) and has a vibrant presence on social media platforms like Facebook, LinkedIn, Instagram and Twitter with strong content marketing. Our unique distribution system comprises of exclusive regional distributors to address the Channel and Enterprise segments. This ensures extensive reach and easy availability of all our products and solutions throughout the country.

## DIGICARE

Digicare is a service arm of DIGISOL Systems which offers a new standard in integrated after-sales service and support to deliver total customer satisfaction. The company has specialized in providing After Sales Service solutions to IT over the decade in Telecom, Consumer Electronics and Consumer Durable products and technical support (Voice / Non-Voice). It offers a wide range of services such as call centre service, Return material assurance, backend repair & refurbishing services, supply chain support, warehousing support, and field services with a strong presence across India (62 service centres) with 27000 pin code coverage. The company is associated with world leading companies in the semiconductor, robotic and consumer electronics industry for over 25 years.





## SYNEGRA EMS LTD.

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra has large, certified manufacturing facilities in Goa which include 2 SMT lines (recently upgraded 1 new SMT line), soldering lines, assembly & testing lines. It manufactures all kinds of products – from PCB assemblies to the latest FTTH and Wi-Fi products, Telecom products, subassemblies of EV charger, medical equipment and measuring instruments SYNEGRA sources detail parts from local suppliers as well as from well-known companies worldwide. Synegra EMS Ltd is an Electronics Manufacturing Services (EMS)



its activities by venturing into the manufacturing of Chargers for Electric Vehicles. It anticipates steady growth with its manufacturing capacity suited for both export as well as domestic markets under the Make in India initiative of the Government of India. SYNEGRA offers locally manufactured Active Range of networking products by sourcing detail parts from other countries.



Company with a highly skilled team for electronics manufacturing including components sourcing for over three decades. It also provides contract manufacturing services to DIGISOL SYSTEMS LTD. as well as other electronics. brands and companies. Synegra has widened



# Board of Directors



**K. R. Naik, Executive Chairman**

Mr. K. R. Naik is the founder of Smartlink Holdings Ltd. He joined the Company as the Director on 31<sup>st</sup> March 1993. His vision is to make the group companies the premier technology Companies with a strong base of Manufacturing in the Networking/ Communication field.

Mr. Naik has over four decades of experience in the networking industry. He holds Post Graduate Diploma in Industrial Engineering from Jhunjhunwala College & Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India in development & sourcing of parts of Data Processing Machines in IBM Mumbai Plant. He is also a former President of MAIT.



**Arati Naik**

Ms. Arati Naik has been appointed as Executive Director of Smartlink. She was Chief Operating Officer of the Subsidiary Company, Digisol Systems Limited and was involved in managing DIGISOL business and defining strategies for the products business. She is Graduate in Computer Science and Post-Graduate in Business & Information Systems from The University of Bolton, UK and alumni of IIM Bangalore, having done an executive general management program.



**K. M. Gaonkar**

Mr. K. M. Gaonkar possesses a Masters Degree in Science from UDC Mumbai and has 33 years of experience in the petrochemical and fibre industry. He started his career with Colour Chem Ltd as a research chemist, where he worked for a period of 7 years before shifting to Reliance Industries Ltd. He worked for 23 years in various positions in Reliance Industries, with the last six years as a Vice President in their Fibres Marketing Division.



**Pradeep Rane**

Mr. Pradeep Rane is a science graduate and has over 36 years of experience in Sales, Marketing, Strategic Planning and overall Business Management with the Pharmaceutical industry.



**Pankaj Baliga**

Mr. Pankaj Baliga has a Bachelor's Degree in Engineering, NIT Durgapur, Master's Degree in Business Administration from IIM Ahmedabad, and is a SPURS Fellow, Massachusetts Institute of Technology, U.S.A. He has more than 46 years of experience in management, including 36 years with the Tata Group with the last 14 years at Tata Consultancy Services Ltd (TCS).



**Bhanubhai Patel**

Mr. Bhanubhai Patel holds a Bachelors Degree in Commerce and General Law and is a Member of the Institute of Chartered Accountants of India. He has more than 41 years of experience in the field of Finance and General Management. He has worked with Indian Xerographic Systems Ltd. (a Modi-Xerox Joint Venture) for 10 years and for last 31 years with Oerlikon Textile India Pvt. Ltd. (part of a Swiss based Oerlikon Group) in various capacities where presently he is holding the position of Chairman of the Company.

# Directors' Report

## TO THE MEMBERS,

The Directors of your Company are delighted to present the 30<sup>th</sup> Annual Report along with the audited financial statements for the financial year ended March 31, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. FINANCIAL PERFORMANCE

Key highlights of standalone and consolidated financial performance for the year ended March 31, 2023, are summarized as under:

(Amount in INR lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	954.49	909.37	16,305.26	7,950.18
Other Income	150.69	2,819.64	128.68	92.96
Total Income	1,105.18	3,729.01	16,433.94	8,043.14
<b>Profit before depreciation, finance cost, tax expenses and exceptional items</b>	<b>139.88</b>	<b>3,062.57</b>	<b>653.73</b>	<b>1,048.85</b>
Less: Depreciation and Amortization expenses	102.22	108.31	298.60	239.46
Less: Finance cost	16.69	16.70	171.91	70.86
<b>Profit before exceptional items and tax</b>	<b>20.97</b>	<b>2,937.56</b>	<b>183.22</b>	<b>738.53</b>
Exceptional income/ (expense)	2,091.57	--	2,091.57	--
Profit/Loss before tax	2,112.54	2,937.56	2,274.79	738.53
<b>Less: Tax expenses</b>				
a) Current tax	334.89	108.42	334.89	108.42
b) Deferred tax	53.29	(73.11)	65.68	(408.39)
c) Adjustment of tax of earlier years	(49.72)	6.90	(49.72)	6.90
Profit/Loss after Tax	1,774.08	2,895.35	1,923.94	1,031.60
<b>Other Comprehensive Income (Net of tax)</b>	<b>3.45</b>	<b>(2.32)</b>	<b>(29.37)</b>	<b>(13.68)</b>
Total Comprehensive Income	1,777.53	2,893.03	1,894.57	1,017.92
<b>Earnings Per Share (INR)</b>	<b>17.79</b>	<b>27.59</b>	<b>19.29</b>	<b>9.90</b>

Note: The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

### 2. STATE OF COMPANY'S AFFAIRS

#### 2.1 Review of Standalone Financial Results

The revenue from operations of the Company for the year ended March 31, 2023 stood at INR 954.49 lakhs as against INR 909.37 lakhs in the previous financial year. The total Income stood at INR 1,105.18 lakhs for the year ended March 31, 2023 as compared to INR 3,729.01 lakhs in the previous financial year.

The standalone profit before tax decreased by INR 825.02 lakhs to INR 2,112.54 lakhs. The profit after tax stood at INR 1,774.08 lakhs as compared to INR 2,895.35 lakhs in the previous financial year. This includes an exceptional gain to the tune of INR 2,091.57 lakhs on account of sale of land by the company.

#### 2.2 Review of Consolidated Financial Results

The consolidated revenue from operations of the Company for the year ended March 31, 2023 stood at INR 16,305.26 lakhs as against INR 7950.18 lakhs in the previous financial year. The total Income stood at INR 16,433.94 lakhs for the year ended March 31, 2023 as compared to INR 8,043.14 lakhs in the previous financial year.

The consolidated profit before tax increased by INR 1,536.26 lakhs to INR 2,274.79 lakhs. The profit after tax stood at INR 1,923.94 lakhs as compared to INR 1,031.60 lakhs in the previous financial year. This includes an exceptional gain to the tune of INR 2,091.57 lakhs on account of sale of land by the company.

### 3. DIVIDEND

Your Directors have not recommended any dividend for the current financial year due to conservation of profits and continued investment in the business.

### 4. TRANSFER TO RESERVES

Your Board of Directors has transferred an amount of INR 354.82 lakhs to the Statutory Reserve maintained under Section 45 IC of the RBI Act, 1934 for the FY 2022-23.

### 5. SHARE CAPITAL

The Paid-up Equity Capital of the Company as on March 31, 2023 stood at INR 1,99,50,000/- consisting of 99,75,000 Equity Shares of INR 2/- each. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares. The Company has paid Listing Fees for the FY 2022-23 to each of the Stock Exchanges, where its equity shares are listed.

### 6. ANNUAL RETURN

As provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return for FY 2022-23 is uploaded on the website of the Company and can be accessed at <https://www.smartlinkholdings.com/investor-relations>.

### 7. MEETINGS

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board business.

During the year, 6 (Six) Board Meetings and 5 (Five) Audit Committee Meetings were held. The details of the same are given in the Corporate Governance Report which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

Pursuant to provisions of part VII of the Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, one meeting of Independent Directors was held on May 06, 2022 for transacting the business enumerated under the said provisions.

### 8. PARTICULARS OF LOANS / ADVANCES / GUARANTEE / INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR

The Company has provided Guarantees to its wholly owned subsidiaries in compliance with section 186 of the Companies Act, 2013. During the year the company has given guarantees of INR 5,000 lakhs to Digisol Systems Limited and INR 1,570 lakhs to Synegra EMS Limited.

### 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions (RPTs) that were entered into during the financial year were on arm's length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of the Listing Regulations. None of the transactions with related parties falls under the scope of Section 188(1) of the Act.

All RPTs are placed before the Board for approval. The Company has developed a RPT Policy for the purpose of identification and monitoring such transactions.

The disclosures as required under IND-AS have been made in Note 37 to the Standalone Financial Statements. The particulars of contracts or arrangements entered by the Company with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure – J in Form AOC-2 and the same forms a part of this report. The Policy on RPT as approved by the Board of Directors of the Company is available on the Company's website at <https://www.smartlinkholdings.com/wp-content/uploads/2021/05/Related-Party-Transactions-Policy-Smartlink-2021.pdf>.

### 10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There was no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on March 31, 2023 to the date of the Report.

### 11. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company being a Non-Banking Finance Company, has no activities involving conservation of energy and adoption of any specific technology.

Foreign Exchange earnings and outgo is given in note No. 25 of the standalone Financial Statements of the Company forming part of this report.

### 12. DETAILS OF SUBSIDIARY COMPANIES

The Company has two subsidiaries, namely Digisol Systems Limited and Synegra EMS Limited as on March 31, 2023.

The board of Directors at its meeting held on August 17, 2022 approved the Scheme of amalgamation of Telesmart SCS Limited ('Telesmart'), subsidiary with Digisol Systems Limited ('Digisol'), wholly owned subsidiary of the Company. Telesmart was engaged in the business of manufacturing wide range of passive Networking (SCS) products and manufacturing of copper and fiber range of cabling products. Digisol is a brand product company that caters to sales, marketing, service and support of the 'Digisol' brand of active and passive (structured cabling) products and solutions.

The amalgamation was done to enable consolidation of the business and operations of Telesmart and Digisol which will provide significant impetus to growth by permitting pooling of resources, enable synergies, reduce operational costs, achieve economies of scale, increase operational efficiencies and greater focus and provide expansion opportunities in a consolidated and compliant manner. The amalgamation will enable optimum utilisation of various resources to your Company.

The Hon'ble National Company Law Tribunal ('NCLT') approved the Scheme of amalgamation vide order dated March 03, 2023.

The financial statements of the Company are prepared in accordance with Section 129(3) of the Companies Act, 2013. Further, a statement containing salient features of the financial statements of our subsidiaries in prescribed format AOC-1 is appended as Annexure – I to the Directors' Report. The statement also provides the details of performance and financial position of each subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements will be available on our website [www.smartlinkholdings.com](http://www.smartlinkholdings.com). The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard. The same will also be available at the Registered Office and corporate office of the Company for inspection during office hours.

Digisol Systems Limited and Synegra EMS Limited are unlisted Material Subsidiaries of the Company. The Company has formulated a Policy on Material Subsidiary as required under Listing Regulations and the policy is uploaded on the website of the Company at <https://www.smartlinkholdings.com/wp-content/uploads/2020/03/Subsidiary-Policy-2019-amended.pdf>.

### 13. RISK MANAGEMENT

Pursuant to section 134(3)(n) of the Companies Act, 2013, the Company has a Risk Management (RM) framework to identify, evaluate Business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risk trend, exposure and potential impact analysis at a Company level.

The Risk Management policy formulated by the Company has identified the key business risks and also the plans to mitigate the risks.

### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### a. Key Managerial Personnel

Mr. Kamalaksha Naik, Executive Chairman, Mr. K. G. Prabhu, Chief Financial Officer and Ms. Urjita Damle, Company Secretary have been designated as Key Managerial Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013. There was no change in the Key Managerial Personnel during the year under review.

#### b. Re-appointment of Directors

Ms. Arati Naik (DIN 06965985), Executive Director of the company, who retired by rotation in terms of Section 152(6) of the Companies Act, 2013 was re-appointed as Director of the Company at the Annual General Meeting of the Company held on September 23, 2022.

Ms. Arati Naik was reappointed as a Wholetime Director designated as Executive Director of the Company for a period of 5 years with effect from April 01, 2022.

Mr. Kamalaksha Rama Naik (DIN: 00002013) retires by rotation and being eligible, offers himself for re-appointment. The Business item seeking shareholders' approval for his re-appointment forms part of the AGM Notice.

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including independent directors) which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. The evaluation process inter-alia considers attendance of the Directors at Board and Committee meetings, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc.

During the year under review, the Non-Executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

#### c. Declaration by Independent Director

Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 read with the rules made thereunder, all the Independent Directors of the Company have given the declaration that they meet the criteria of independence as laid down in sub-section (6) of section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### 16. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The Management evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

### 17. DEPOSITS FROM PUBLIC

The Company has neither invited nor accepted any deposits from the public during the FY 2022-23. The Company does not intend to invite or accept any deposits during FY 2023-24 as such no amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

## **18. SECRETARIAL AUDITOR AND AUDITORS' REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shivaram Bhat, Company Secretary in Practice (ACS No. 10454, Certificate of Practice No. 7853), to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor for FY 2022-23 is attached herewith as Annexure - B. There are no qualifications, observations or adverse remarks or disclaimer in the said report.

Pursuant to Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Secretarial Audit Report of Material unlisted Subsidiaries of the Company namely Digisol Systems Limited and Synegra EMS Limited is annexed as Annexure – C and Annexure – D respectively.

The Annual Secretarial Compliance Report of the Company is uploaded on the website of the company at <https://www.smartlinkholdings.com/wp-content/uploads/2023/05/Annual-Secretarial-Compliance-Report-31-03-2023.pdf>

## **19. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy ('CSR Policy') indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company may be accessed on the Company's website at <https://www.smartlinkholdings.com/wp-content/uploads/2020/03/3.-Corporate-Social-Responsibility-Policy.pdf>

Under Section 135 of the Act, the Company was required to spend INR 7.40 lakhs (2%) of the average qualifying net profits of the last three financial years on CSR activities in the FY 2022-23. During the year under review the Company has spent INR 7.65 lakhs on CSR activities. The Board of Directors at their meeting approved the same. The requisite details on CSR activities pursuant to Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as Annexure – H to this Report.

## **20. AUDIT COMMITTEE**

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director. The details of the composition of the Audit Committee are given in the Corporate Governance Report which is part of this report. During the year, all the recommendations of the Audit Committee were accepted by the Board.

Further, in terms of section 177(8) of the Companies Act, 2013, it is stated that there were no such instances where the Board of Directors have not accepted the recommendations of the Audit Committee during the FY 2022-23.

## **21. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including independent directors) which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. The evaluation process inter-alia considers attendance of the Directors at Board and Committee meetings, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

- a) Observations of board evaluation carried out for the year - There were no observations in the Board Evaluation carried out during the financial year;
- b) Previous year's observations and actions taken - There were no observations of the Board for the last financial year;
- c) Proposed actions based on current year observations - Not applicable.

The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

## **22. NOMINATION AND REMUNERATION COMMITTEE**

The Board has, on recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Remuneration Policy are stated in the Corporate Governance Report.

The Company's remuneration policy is driven by the success and performance of the individual employees, senior management, Executive Directors of the Company and other relevant factors including the following criteria:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company;
- b) Relationship of remuneration to performance is clear and meets appropriate performance industry benchmarks; and
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

The composition of the Nomination and Remuneration Committee (NRC) is in line with Section 178 of the Act read with Regulation 19 of SEBI Listing Regulations. The details of meetings and their attendance are included in the Corporate Governance Report.

### 23. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee (SRC) is in line with Section 178 of the Act read with Regulation 20 of SEBI Listing Regulations. The details of the composition of the Stakeholders Relationship Committee are given in the Corporate Governance Report which is part of this report.

### 24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177 of the Companies Act, 2013 read with rules made thereunder, the Company has established a vigil mechanism for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of code of conduct which provides for adequate safeguards against victimization of director(s) / employee(s) and also provides for direct access to the Chairman of the Audit committee in exceptional cases. The Audit Committee and the Board of Directors have approved the Whistle Blower Policy and the details are available on the website of the Company under the weblink

<https://www.smartlinkholdings.com/wp-content/uploads/2020/03/Whistle-Blower-Policy-Final-2019.pdf>.

During the year under review, the Company through Audit Committee has not received any complaints relating to unethical behavior, actual or suspected fraud or violation of company's code of conduct from any employee or director.

### 25. CORPORATE GOVERNANCE

As required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance as well as the Auditor's Certificate regarding compliance of Conditions of Corporate Governance forms a part of Annual Report as Annexure – E and Annexure – F respectively.

### 26. STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

The information required under section 197 of the Act read with Rule 5(1)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is enclosed as Annexure – G to this report.

### 27. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment.

There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as at the end of the FY 2022-23.

### 28. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

### 29. STATUTORY AUDITOR AND AUDIT REPORTS

M/s Shridhar & Associates, Chartered Accountants (having FRN 134427W) were appointed as Statutory Auditors of the Company for the period of four years of the first term, commencing from Financial Year 2022-23. The Statutory Auditors have given a confirmation to the effect that they are eligible to be appointed and not disqualified from continuing as the Statutory Auditors.

During the year under review, the auditors have not reported any matter under Section 143(12) of the Companies Act, 2013.

The statutory auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

### 30. COST AUDIT

During the relevant period for the purpose of Section 148 of the Companies Act, 2013 read with the rules made thereunder, maintenance of cost records and requirement of cost audit are not applicable for the business activities carried out by the Company.

### 31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis including the result of operations of the Company for the year, as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended to the Annual Report as Annexure - A.

### 32. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, hereby state and confirm that:

- a) in the preparation of annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and the profit/loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;

- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**33. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

**a) Transfer of unclaimed dividend**

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid and unclaimed dividend are required to be transferred to the IEPF established by the Government of India, after completion of seven years. Accordingly, Dividend of INR 1.42 lakhs for the FY 2014-15 which remained unpaid or unclaimed was transferred to the IEPF Authority in the FY 2022-23.

**b) Transfer of Shares to IEPF**

According to the provisions of section 124 of the Companies Act, 2013 and Rules made thereunder, the shares on which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall be transferred to Demat account of IEPF Authority. Accordingly, 6,507 shares were transferred as per the requirements of IEPF Rules during FY 2022-23.

The following table provides the details of unclaimed dividend and their corresponding shares that would become due to be transferred to the IEPF on the dates mentioned below:

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2017	12.08.2017	11.09.2024	10.10.2024

**34. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in compliance with SEBI (Prohibition & Insider Trading) Regulation, 2015 duly amended and approved at its board meeting with a view to regulate trading in securities by the designated persons of the Company.

**35. SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

**36. GREEN INITIATIVE**

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 30<sup>th</sup> AGM are sent to all members whose email addresses are registered with the Company / Registrar / Depository Participant(s). The Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTA.

The requirement of sending physical copies of Annual Report to those shareholders who have not registered their email addresses is dispensed with for Listed Entities who would be conducting their AGMs upto September 30, 2023 vide SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023. In this respect the physical copies are not being sent to the shareholders. The copy of the same would be available on the website of the Company at [www.smartlinkholdings.com](http://www.smartlinkholdings.com). However, the Shareholders of the Company may request physical copy of the Notice and Annual Report from the Company by sending a request at [company.secretary@smartlinkholdings.com](mailto:company.secretary@smartlinkholdings.com) in case they wish to obtain the same.

The Company is providing e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice.

**37. ACKNOWLEDGEMENT**

The Directors wish to convey their deep appreciation to all the customers, vendors, dealers, distributors, resellers, bankers, investors, Goa Industrial Development Corporation, State Industries, Electricity and other Government departments for their sincere and dedicated services as well as their collective contribution to the Company's performance.

The Directors also take this opportunity to thank the employees for their dedicated service throughout the year.

For and on behalf of the Board of Directors

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

**Arati Naik**  
Executive Director  
DIN: 06965985

Place: Mumbai  
Date: May 17, 2023

Place: Mumbai  
Date: May 17, 2023



# Management Discussion and Analysis

## ECONOMIC OVERVIEW

According to the baseline projection of **World Economic Outlook**, growth will decline from 3.4% in 2022 to 2.84% in 2023 before levelling off at 3.0% in 2024. A particularly strong growth downturn, from 2.7% in 2022 to 1.3% in 2023, is predicted for advanced economies. A realistic alternative scenario with increased financial sector stress shows that by 2023, global GDP will have fallen to around 2.5%, with advanced economies' growth falling below 1%. On the strength of decreasing commodity prices, global headline inflation is projected to decline from 8.7% in 2022 to 7.0% in 2023; however, underlying (core) inflation is likely to decline more slowly. In most circumstances, the restoration of inflation to target is unlikely to occur until 2025.

## THE INDIAN ECONOMY

Recovering from pandemic-induced contraction, Russian-Ukraine conflict and inflation, the Indian economy is staging a broad-based recovery across sectors, positioning to ascend to the pre-pandemic growth path in FY23.

**ECONOMIC SURVEY** 2022-23 projects a baseline GDP growth of 6.5% in real terms in FY24.

Economy is expected to grow at 7% (in real terms) for the year ending March 2023, this follows an 8.7% growth in the previous financial year.

India might witness GDP growth of 6.0% to 6.8% in 2023-24, depending on the trajectory of economic and political developments globally.

## INDUSTRY OUTLOOK IN INDIA

### The Indian Networking Industry

**FICCI's latest Economic Outlook Survey** puts forth an annual median GDP growth forecast for 2022-23 at 7.0%. The Industry and services sector are anticipated to grow by 6.2%

and 7.8% respectively. There was a unanimous view among few economists that although the Indian economy is expected to face a slowdown in the near-to-medium term, it will still grow consistently to emerge as the fastest growing economy in the world. Slowdown in major economies, particularly in India's major trade partners, is anticipated to impact exports from the country - which had cushioned GDP growth in the face of a lack of effective domestic demand.

According to **International Data Corporation (IDC)** India's networking market, which includes Ethernet Switch, Routers, and WLAN segments, a very strong growth was exhibited due to rise in port shipments on a sequential basis, it was also driven by hyperscalers and cloud providers accompanied by robust demand from customers for popular applications and services and continued easing of component shortages and a reduction in supply chain disruptions.

The overall Indian Networking Market saw a gradual growth due to vendors trying to clear their shipment backlogs. High input costs were driven by semiconductor demand, logistics, fluctuating currency. However, the demand for networking equipment has not weakened and vendors have at least two-quarters of backlogs to clear.

Despite the challenges like- delays in delivery, price increases, and a slowing global economy, the demand for networking equipment remains unscathed. However, more demand towards wireless technology is there owing to hybrid work and technologies like 5G expanding the edge.

The market demand for network equipment is expected to remain strong despite the challenges the ecosystem is facing. The chip shortages are expected to remain at least till the first half of 2023. With the rising input costs, the prices of network equipment are also expected to remain volatile for the next few quarters. While 2023 certainly is expected to be a challenging

## THE INDIAN NETWORKING MARKET IN 2022

(Values in USD million)

Particulars	Q1 2022		Q2 2022		Q3 2022		Q4 2022	
	Value	Growth	Value	Growth	Value	Growth	Value	Growth
Ethernet Switch Market	151.5	12%	169.4	15%	199.3	28%	205.3	21%
Router Market	61.8	↓15%	83.7	3%	81.7	↓3%	91.7	22.10%
WLAN	63.6	9.09%	41.9	↓17%	51.8	↓14%	66.8	4%
Indian Networking Market		6.90%		2.90%		21.60%		18.25%

Source: "IDC WLAN AND LAN" tracker report

year for all businesses, the demand for networking equipment would pull through considering the growth trajectory of India and the criticality of networks to achieve the desired results.

Increased adoption of emerging technologies such as cloud, IoT, mobility, etc. would drive incremental revenues. IDC also expects large investments for 5G rollouts in the next couple of years.

To promote domestic manufacturing, PLI (Production Linked Incentive) Scheme, a government-initiated program was launched in 2021 financial budget that promotes domestic manufacturing in India while discouraging cheaper imports from other nations. The goal of this program was to give a financial impetus for increasing the sale of Indian made products, in turn developing local talent into world champions. The PLI scheme is helping all the Indian manufacturers.

### **BUSINESS OVERVIEW**

#### **SMARTLINK HOLDINGS LIMITED**

Smartlink Holdings Ltd. has been in the Networking Products business for more than three decades and involved in sourcing, manufacturing, sales, marketing, and support. The Company has undertaken a restructuring exercise and now has two independent subsidiaries, namely, DIGISOL Systems Limited and SYNEGRA EMS Limited to grow the businesses in a focused manner using its expertise of over three decades. Smartlink Holdings Ltd. is now an NBFC with assets and cash investments which includes investment in the two subsidiary companies.

#### **DIGISOL SYSTEMS LTD.**

Telesmart is merged into Digisol Systems Ltd. which gives Digisol an added advantage of providing Sales, Marketing and Service Support through manufacturing a wide range of products viz: Structured Cabling and (SCS) ODM products to supply other brand companies. The product range includes-Solid Cable, Keystones, Patch Panels, Copper Patch Cord, Faceplates, Fiber Patch Cords, Fiber LIUs, Splitters etc.

The company is also in the production of copper connection components with high bandwidth applications and the fiber range of products includes equipment for testing and assembly.

The IT networking industry grows by leaps and bounds every year; however, the one thing that stays comparatively constant is the brand. Due to the technology industry's accelerated evolution, brands take on increased importance by providing an effective counterbalance to what buyers perceive as constant change, clutter, and confusion. While we strive to push the boundaries with our marketing activities, we accord great importance to brand building, which will ensure our long-term success. DIGISOL has established its brand positioning as a '1st Indian Brand in IT Networking Solutions that offers products of global standards, credibility and delivers

a fantastic user experience. DIGISOL has carried out various initiatives like DIGISOL Cash Karo loyalty program to enhance the relationship with existing electricians, technicians and partners by giving them a chance to earn more loyalty points on their purchase of DIGISOL products, DITT (DIGISOL Institute of Technical Training) where we aim to train/educate network engineers, channel partners and ISPs by consistently delivering quality training programs which are always in sync with the market demand and DIGISOL Premium Partners Program to build relationships with the partners by rolling out various Sales Scheme for both Active and Passive range of products.

#### **Active Networking Products**

DIGISOL offers a wide range of active networking products with a portfolio encompassing over 200+ products across the IT networking spectrum. Marketed under the brand name DIGISOL, these products incorporate world class quality and are backed by Synegra's own manufacturing facility and a nationwide distribution network. The Company offers call-based technical support backed by a strong in-house service team. DIGISOL has been steadily working towards introducing new products like Next Gen Wi-Fi-6 wireless products/solutions, SMB and SME 10G fiber networking switches, media converters and enterprise wireless products and a full range of FTTH Products based on the changing needs of the market. DIGISOL has introduced a new generation of Made in India products like XPON ONUs, EPON/GPON OLTs, networking switches and enterprise wireless products. These also include products manufactured by the Group's manufacturing arm Synegra EMS.

#### **Structured Cabling System (SCS)**

DIGISOL cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat 6A), UTP/STP LAN Cables, Patch Panels/ Cords, I/O Faceplates. The fiber range includes Fiber cables, Fiber connectors, couplers, LIU, Fiber patch cords, Fiber Pigtaills, etc. The Company's cabling products adhere to EIA/TIA, ISO/IEC and UL, ETL international standards. ROHS compliant products are backed by international 25 years product performance warranty with MADE IN INDIA PRODUCTS.

#### **DIGISOL Enterprise SCS range**

Technology is rapidly evolving and along with it the needs of business. With the latest technologies like 5G, IoT, Wi-Fi 6, SDN and Cloud coming in and with large connectivity sites like SMART CITY, there is a need for high speed and high-quality products. DIGISOL launched the ConvergeX series Future Ready Structured Cabling Solution under its New DIGISOL Enterprise structured cabling system. The DIGISOL ConvergeX range is ideal for such applications with POE connectivity. The ConvergeX enterprise structured cabling series aims to enhance the way enterprises work and unlock immense opportunities for the future.

### DIGISOL Channel SCS range

The range of Digisol & Telesmart's Passive Networking products includes Copper, Fiber and FTTH solutions. All DIGISOL SCS Products adhere to EIA/TIA, ISO/IEC, and UL international standards. These RoHS compliant products are backed by 25 years international product warranty for performance. With its strong presence in SMB & Enterprise segments, DIGISOL works closely with regional and national system integrators for enhanced presence in large scale projects. DIGISOL's Structured Cabling Systems fulfil the network connectivity needs of medium to small businesses and home networks.

### Brand Building: The key to DIGISOL's success

Brand building has always been accorded top priority at DIGISOL. While it is important to provide finest quality products of the latest technology, the way in which the consumer perceives the brand is equally important, especially from the long-term perspective. DIGISOL will continue to invest in educating the channel community, system integrators and large base of Electrician / Installers who interact with the end consumers and play a strong role in building the brand. The Company's brand building efforts also include participation in the leading industry events, trade shows and expos and inshop branding. In addition to traditional advertising in India, DIGISOL is active in the Digital space with an engaging website [www.digisol.com](http://www.digisol.com) and has a vibrant presence on social media platforms like Facebook, LinkedIn, Instagram and Twitter with strong content marketing. Our unique distribution system comprises of exclusive regional distributors to address the Channel and Enterprise segments. This ensures extensive reach and easy availability of all our products and solutions throughout the country.

### DIGICARE

Digicare is a service arm of DIGISOL Systems which offers a new standard in integrated after-sales service and support to deliver total customer satisfaction. The company has specialized in providing After Sales Service solutions to IT over the decade in Telecom, Consumer Electronics and Consumer Durable products and technical support (Voice / Non-Voice). It offers a wide range of services such as call centre service, Return material assurance, backend repair & refurbishing services, supply chain support, warehousing support, and field services with a strong presence across India (62 service centres) with 27000 pin code coverage. The company is associated with world leading companies in the semiconductor, robotic and consumer electronics industry and has been serving for 25 plus years.

### SYNEGRA EMS LIMITED

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra has large, certified

manufacturing facilities in Goa which include 2 SMT lines (recently upgraded 1 new SMT line, soldering lines, assembly & testing lines. It manufactures all kinds of products – from PCB assemblies like to the latest FTTH and Wi-Fi products, Telecom products, Electric vehicles and Defense applications products. SYNEGRA sources detail parts from local suppliers as well as from well-known companies worldwide. Synegra EMS Ltd is an Electronics Manufacturing Services (EMS) Company with a highly skilled team for electronics manufacturing including components sourcing for over three decades. It also provides contract manufacturing services to DIGISOL SYSTEMS LTD. as well as other electronics brands and companies.

Synegra has widened its activities by venturing into the manufacturing of Chargers for Electric Vehicles. It anticipates steady growth with its manufacturing capacity suited for both export as well as domestic markets under the Make in India initiative of the Government of India.

### FINANCIAL PERFORMANCE

#### i) Standalone Financials:

In the financial year 2022-23, the Company achieved an Revenue from operations of INR 954.49 lakhs as compared to INR 909.37 lakhs in the previous year.

The Company's Profit after Tax for the year ending March 31, 2023 was INR 1,774.08 lakhs as compared to profit after tax of INR 2,895.35 lakhs in the previous year.

#### ii) Consolidated Financials:

In the financial year 2022-23, the group achieved an Revenue from operations of INR 16,305.26 lakhs as compared to INR 7,950.18 lakhs in the previous year.

#### Key Financials Ratio:

Particulars	FY 2023	FY 2022
Current Ratio (in %)	40.12	52.48
Operating profit Margin (in %)*	12.66	82.13
Net Profit Margin (in %)	160.52	77.64
Return on Net Worth (in %)	8.83	15.81

\*excluding exceptional items

### HUMAN RESOURCES

Smartlink and its subsidiaries are striving to build and maintain a positive employee experience with high satisfaction and quality of life, so that employees can contribute their best efforts to their work. We are as a progressive organization are conscious of our societal, organizational, and human goals and our human values form the backbone of our organization.

#### Our Values at work

- Ethical and Integrity based approach in everything we do
- Value and develop employees for Talent, Initiative and Leadership

## Management Discussion and Analysis

- Employee motivation through ownership and empowerment
- Performance and collaboration
- Customer Orientation and delight

Our vision has been to create a committed workforce through Shaping talent management around skills, knowledge sharing practices based upon our value system. The key element of our Human Resource strategy to Drive HR innovations to create people culture, and productivity accelerators through a hybrid work culture embedded with employee experience and wellness.

As on March 31, 2023, the Smartlink Group has 200+ employees. Smartlink's future success evolves around our ability to attract top talent, retain, and motivate highly qualified technical and management personnel, to approach the VUCA world.

### RISK FACTORS

Smartlink invests its surplus in various financial instruments like mutual fund, bonds, non-convertible debentures and other securities and thus Smartlink is exposed to credit risk, market risk and interest rate risk.

The risk of technological obsolescence is very high in the segments where the company's subsidiaries operate. Moreover, the technological advancements are dictated by the large OEM players. On the other hand, we need to continuously invest to keep launching new products to enhance reach and reputation amongst customers and channel partners.

The company's subsidiaries are exposed to fluctuations in foreign exchange rate, in particular the movement of US dollar vis-à-vis the Indian Rupee as the subsidiaries import more than 60% of the components here the payment is in US Dollars. The fluctuation in interest rates and foreign exchange rates pose a risk to the competitiveness and pricing ability of the company. In today's constantly changing markets, companies may opt to maintain and grow sales by selling at competitive prices. Products have become commoditized over time as alternative products become available or the number of suppliers offering the same product increases

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

Smartlink has aligned its current systems of internal financial control with the requirement of Companies Act, 2013. The Internal Control framework is intended to increase transparency and accountability in an organisation's process of designing and implementing a system of internal control.

The framework requires the Company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. Smartlink's internal controls are commensurate with its size and the nature of its operations. These have

been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorization and ensuring compliance of corporate policies.

### The Audit Committee periodically reviews the functions of Internal Audit

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Listing Regulations 2015) as of March 31, 2023. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of SEBI Listing Regulations 2015), our audit committee has concluded that, as of March 31, 2023, our internal financial controls were adequate and operating effectively.

### DISCLAIMER

*Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc. over which the Company does not have any direct control, can make a significant difference to the Company's operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward-looking statements. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto.*

## Annexure - B

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To The Members,

### SMARTLINK HOLDINGS LIMITED

L-7, Verna Industrial Estate, Verna, Salcete, Goa-403722.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMARTLINK HOLDINGS LIMITED**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2023 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (*provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period*);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not applicable to the Company during the audit period*);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (*Not applicable to the Company during the audit period*);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (*Not applicable to the Company during the audit period*);
- vi. The following law and Regulation applicable specifically to the Company (*as per the representations made by the Company*) viz.,
  - a) RBI regulations for Non- Banking Financial Companies to the extent applicable.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Women Director as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Ms Arati Naik was appointed as Whole time Director of the Company for a period of 5 years with effect from April 01, 2022.

Adequate notice is given to all directors to schedule the Board Meetings including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period Telesmart SCS Limited (subsidiary of the Company) was amalgamated with Digisol Systems Limited (wholly owned subsidiary of the Company) pursuant to Order dated March 03, 2023 passed under Section 230 to Section 232 of the Companies Act, 2013 by Hon. NCLT, Mumbai Bench.

**Shivaram Bhat**

Place: Panaji, Goa  
Date : May 17, 2023

**Practicing Company Secretary**  
**ACS10454 CP7853 PR1775/2022**  
**UDIN: A010454E000321897**

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This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

**'ANNEXURE A'**

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Shivaram Bhat**

Place: Panaji, Goa  
Date : May 17, 2023

**Practicing Company Secretary**  
**ACS10454 CP7853 PR1775/2022**  
**UDIN: A010454E000321897**

## Annexure - C

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To The Members,

### **DIGISOL SYSTEMS LIMITED**

L-7, Verna Industrial Estate, Verna, Salcete, Goa-403722.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIGISOL SYSTEMS LIMITED** (hereinafter called as the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2023 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder (*Not applicable to the Company during the audit period*);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder ;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (*Not applicable to the Company during the audit period*);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*Not applicable to the Company during the audit period*);
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*Not applicable to the Company during the audit period*);
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not applicable to the Company during the audit period*);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (*Not applicable to the Company during the audit period*); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*).
- vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,
  - a) The Environment (Protection) Act 1986;
  - b) E-Waste Rules, 2016

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent applicable, being a material subsidiary of listed entity.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period Telesmart SCS Limited (fellow subsidiary of the Company) was amalgamated with the Company pursuant to Order dated March 03, 2023 passed under Section 230 to Section 232 of the Companies Act, 2013 by Hon. NCLT, Mumbai Bench.

Place: Panaji, Goa  
Date : May 17, 2023

**Shivaram Bhat**  
**Practicing Company Secretary**  
**ACS10454 CP7853 PR1775/2022**  
**UDIN:A010454E000321811**

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This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

**'ANNEXURE A'**

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Panaji, Goa  
Date : May 17, 2023

**Shivaram Bhat**  
**Practicing Company Secretary**  
**ACS10454 CP7853 PR1775/2022**  
**UDIN: A010454E000321811**



## Annexure - D

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To The Members,

### **SYNEGRA EMS LIMITED**

L-5A, Verna Industrial Estate, Verna, Salcete, Goa-403722.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SYNEGRA EMS LIMITED** (hereinafter called as the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2023 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder (*Not applicable to the Company during the audit period*);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (*Not applicable to the Company during the audit period*);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*Not applicable to the Company during the audit period*);
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*Not applicable to the Company during the audit period*);
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*Not applicable to the Company during the audit period*);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (*Not applicable to the Company during the audit period*); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*).
- vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,
  - a) The Environment (Protection) Act 1986;
  - b) E-Waste Rules, 2016

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent applicable, being a material subsidiary of listed entity.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that –**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Mr. K. R. Naik was appointed as Whole-time Director of the Company for a period of three years with effect from May 06, 2022.

Adequate notice is given to all directors to schedule the Board Meetings including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

- a) The authorised Share Capital of the Company was increased to ₹ 25 Crores by creation of additional 1,00,00,000 equity shares of ₹ 10/- each on February 14, 2023.
- b) 1,00,00,000 Equity Shares of ₹ 10/- each were issued and allotted to holding Company Smartlink Holdings Limited for cash at par on February 28, 2023 by way of Rights Issue.

Place: Panaji, Goa  
Date : May 17, 2023

**Shivaram Bhat**  
**Practicing Company Secretary**  
**ACS10454 CP7853 PR1775/2022**  
**UDIN:A010454E000326748**

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This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

**'ANNEXURE A'**

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Panaji, Goa  
Date : May 17, 2023

**Shivaram Bhat**  
**Practicing Company Secretary**  
**ACS10454 CP7853 PR1775/2022**  
**UDIN: A010454E000326748**

## Annexure-E

# Report on Corporate Governance

The detailed report on Corporate Governance as per the requirements of Companies Act, 2013 (hereinafter referred to as the “Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”) is set out below:

## 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company’s philosophy on Corporate Governance is to attain highest level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, dealers, and ensuring high degree of regulatory compliances.

The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder’s value in the long term.

The Company’s policies focus on the augmentation of long-term shareholders’ value without compromising on integrity, social obligations, and regulatory compliances. While dealing with its stakeholders, the Company functions within recognized standards of propriety, fair play, and justice and aims at creating a culture of openness.

## 2. BOARD OF DIRECTORS

### a) Composition and Category of Directors

The present Board comprises of 6 members consisting of 2 Executive Directors including one Women Director and 4 Independent, Non-Executive Directors. The Company has an Executive Chairman. The names and category of each Director is given below:

Name of the Director	Category
Mr. Kamalaksha Rama Naik	Executive Chairman and Promoter
Ms. Arati Kamalaksha Naik	Executive Director and Promoter
Mr. Krishnanand Maruti Gaonkar	Non-Executive and Independent
Mr. Pankaj Madhav Baliga	Non-Executive and Independent
Mr. Bhanubhai Ramjibhai Patel	Non-Executive and Independent
Mr. Pradeep Anant Rane	Non-Executive and Independent

None of the Directors on the Board hold directorships in more than ten public Companies and 7 listed entities. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public Companies in which he or she is a director. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2023 have been made by the Directors. None of the Directors are related except Mr. K. R. Naik and Ms. Arati Naik.

### b) Category and attendance of Directors

Details of attendance of Directors at the Board meetings and at the last Annual General Meeting (“AGM”) with particulars of their Directorship and Chairmanship/Membership of Board/committees in other Companies are as under:

Name of the Director	Category*	No. of Board Meetings attended during FY2022-23	Attendance at AGM held on September 23, 2022	No. of other Directorships (As on 31.03.2023)#	No. of Committee Positions in Mandatory Committees®	
					Member	Chairman
Mr. Kamalaksha Naik	EC	6	Yes	2	Nil	Nil
Mr. Krishnanand Gaonkar	NED and IND	5	Yes	1	Nil	Nil
Mr. Pankaj Baliga	NED and IND	6	Yes	1	Nil	Nil
Mr. Bhanubhai Patel	NED and IND	6	Yes	1	Nil	Nil
Mr. Pradeep Rane	NED and IND	4	Yes	1	Nil	Nil
Ms. Arati Naik	ED	3	Yes	1	Nil	Nil

\* EC: Executive Chairman, ED: Executive Director NED and IND: Non-Executive Director and Independent Director

# Excludes Directorships in Private and Foreign Companies

® In accordance with Regulation 72 of SEBI Listing Regulations, Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee in all Companies (excluding Smartlink Holdings Limited) have been considered.

## Report on Corporate Governance

- c) The Company held 6 Board Meetings during the FY 2022-23 dated May 11, 2022, August 04, 2022, August 17, 2022, November 03, 2022, February 09, 2023 and March 30, 2023, and the maximum time gap between two board meetings was less than 120 days. The necessary quorum was present for all the meetings. The agenda and other related papers were being circulated to the Directors in advance to enable them to take informed decisions. The minutes of the meetings of all the Board and Committees were circulated to all the Directors and are finalized incorporating the comments of the Directors. During FY 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- d) During FY 2022-23, one meeting of the Independent Directors was held on May 06, 2022. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Executive Chairman of the Company.
- e) There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the payment of sitting fees for attending Board and Committee Meetings in accordance with the applicable laws. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.
- f) Details of Equity shares of the Company held by the Directors as on March 31, 2023 are given below:

Name	Category	Number of equity shares
Mr. K. R. Naik	Executive Chairman	48,00,163
Mr. Krishnanand Gaonkar	Independent, Non-Executive Director	14,513
Ms. Arati Naik	Executive Director	9,34,833

### g) Details of Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, Regulation 25 of Listing Regulations and other relevant regulations and his affirmation taken with respect to the same.

The Company has adopted the familiarization programme for Independent Directors and the details of which are uploaded on the website of the Company at <https://www.smartlinkholdings.com/wp-content/uploads/2023/02/Smartlink-Independent-Directors-Familiarization-Programme.pdf>

### h) Key Board qualifications, expertise, competence and attributes

The Smartlink Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Smartlink Board is in compliance with the highest standard of Corporate Governance.

The Board has identified the following skills / expertise / competencies fundamental for effective functioning of the Company which are currently available with the Board:

Name of the Director	Financial	Strategic Planning	Corporate Governance	Leadership Operational Experience
Mr. K. R. Naik	✓	✓	✓	✓
Ms. Arati Naik	✓	✓	✓	✓
Mr. Krishnanand Gaonkar	✓	✓	✓	✓
Mr. Bhanubhai Patel	✓	✓	✓	✓
Mr. Pradeep Rane	✓	✓	✓	✓
Mr. Pankaj Baliga	✓	✓	✓	✓

### i) Confirmation as regards Independence of Independent Directors

The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013. In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and are independent of the management. During the year under review, there is no resignation of an independent director before the expiry of tenure.

## 3. AUDIT COMMITTEE

### a) Composition and attendance of members of Audit Committee at the meetings held during the year

With a view to have better governance and accountability, the Board has constituted an Audit Committee in line with the provisions of Regulation 18 of SEBI Listing Regulation and Section 177 of the Act.

As of March 31, 2023, the Committee consisted of 4 (four) Independent Directors. The composition of audit committee and particulars of attendance by the members at the meetings of the Committee held in FY 2022-23 are given below:

Names	Category of Director	No. of meetings attended
Mr. Pankaj Baliga– Chairman	Independent, Non-Executive	5
Mr. Krishnanand Gaonkar	Independent, Non-Executive	5
Mr. Pradeep Rane	Independent, Non-Executive	3
Mr. Bhanubhai Patel	Independent, Non-Executive	5

**b) Meetings during the year**

Five Audit Committee meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The Audit Committee meetings were held on May 11, 2022, August 04, 2022, November 03, 2022, February 09, 2023 and March 30, 2023. Necessary quorum was present at the above meetings. The representatives of the Statutory Auditors and Internal Auditors were invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

All the Members of the Audit Committee have requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. All the members of the Committee are financially literate and have expertise in Finance as defined in Regulation 18(1)(c) of the Listing Regulations.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Audit Committee, as mandatorily required, were accepted by the Board.

The Chairman of the Audit Committee was present for the Annual General Meeting of the Company held on September 23, 2022 for resolving queries of the shareholders.

**c) Brief Description of Terms of reference**

**A. Terms of Reference**

The terms of reference stipulated by the Board to the Audit Committee and as contained under Section 177 of the Companies Act, 2013 are as follows:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. review and monitor the auditor’s independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors’ report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters.

**B. Powers of Audit Committee**

The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**C. Role of the Audit Committee and review of information by Audit Committee**

1. Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:
  - i. matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### **D. The Audit Committee shall review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. investments made by unlisted subsidiary Companies on a quarterly basis.
7. statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## **4. NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee (NRC), as required under section 178 of the Act, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI Listing Regulations.

#### **a) Composition and attendance of members of Nomination and Remuneration Committee at the Meetings held during the year**

As on March 31, 2023, the Nomination and Remuneration Committee consisted of 3 (Three) Independent, Non-Executive Directors. The composition of the Committee (including changes during the year) and particulars of attendance by the members at the meetings of the Committee held in FY 2022-23 are given below:

Members	Category of Director	No. of Meetings Attended
Mr. Krishnanand Gaonkar – Chairman	Independent, Non-Executive	1
Mr. Pradeep Rane	Independent, Non-Executive	Nil
Mr. Pankaj Baliga	Independent, Non-Executive	1

The Chairman of NRC Committee was present for the Annual General Meeting of the Company held on September 23, 2022 for resolving queries of the shareholders.

#### **b) Meetings during the year**

During the FY 2022-23, one Committee meeting of Nomination and Remuneration was held on May 11, 2022.

The minutes of the meetings of the Committee are placed before and noted by the Board. During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

**c) Brief Description of Terms of Reference**

Following are terms of reference of the Nomination and Remuneration Committee as contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**d) Performance Evaluation criteria for Independent Directors**

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8)) of the Companies Act, and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the evaluation of Directors was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc. The performance evaluation of the Board and the Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman and Executive Directors was carried out by all the Independent Directors. Based on the feedback received from the Directors, the Board was of the opinion that the individual performance of the Independent Directors was effective for the FY 2022-23.

**e) Nomination and Remuneration Policy**

1. The Company has formulated the Nomination and Remuneration Policy to lay down criteria and terms and condition with regards to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who are qualified to be appointed in Senior Management and Key Managerial Positions and to determine their remuneration;
2. To carry out evaluation of the performance of Directors' as well as Key Managerial and Senior Managerial Personnel;
3. Devising a policy on Board diversity.

**f) Remuneration paid to Directors**

**1. Executive Directors**

Executive Director	Salary, Contribution to P.F, Perquisites & Commission
Mr. Kamalaksha Naik – Executive Chairman	Nil
Ms. Arati Naik – Executive Director	Nil

**Salient features of the Terms of Appointment**

Particulars	Mr. Kamalaksha Naik	Ms. Arati Naik
Salary	INR 6,25,000/- per month of which 50% will be fixed pay.	INR 1,25,000/- per month
Perquisites/ Allowances	None	HRA of INR 62,500/- per month and other allowances not exceeding INR 60,700/- per month
Commission	Nil	Nil
Variable / Performance Pay	Variable Pay/Performance Bonus shall be 50% of the consolidated remuneration.	Nil
Terms of Appointment	Re-appointed for a period of five years with effect from December 26, 2019	Appointed for a period of Five years with effect from April 01, 2022
Notice Period	Either party may terminate the appointment by giving the other party three months' notice in writing.	Either party may terminate the appointment by giving 2 months' notice in writing.
Severance Fees	None	None

**2. Non-Executive Directors**

In accordance with the resolution passed at the Annual General Meeting held on December 11, 2020 the shareholders approved the payment of commission not exceeding 1% of the net profits of the Company to Non-Executive Directors. The Company has not paid any commission during the current year.

**3. Details of sitting fees paid/to be paid to the Non-Executive Independent Directors for the period under review**

The Non-Executive Directors are entitled to sitting fees for attending the Board/Committee Meetings. Apart from sitting fees, no payment by way of bonus, commission, pension, incentives etc., is paid to any of the Non-Executive Directors. The Company has no stock option plans and hence, such instruments do not form part of remuneration payable to Non-Executive Directors.

The Non-Executive Directors are paid sitting fees at the rate of INR 50,000/- for attending each meeting of the Board, Audit Committee, Nomination and Remuneration Committee, and INR 5,000/- for Stakeholders Relationship Committee and other board committees.

Details of sitting fees paid/payable to the Non-Executive Directors for the year under review are as under:

Non-Executive Directors	Sitting Fees (INR)
Mr. Krishnanand Gaonkar	5,55,000
Mr. Pankaj Baliga	6,05,000
Mr. Pradeep Rane	3,50,000
Mr. Bhanubhai Patel	5,50,000

**g) Details of other pecuniary relationship/transactions of Non-Executive Directors vis-à-vis the Company**

There were no pecuniary relationship/transactions of Non-Executive Directors/Independent Directors with the Company except for the payment of sitting fees paid to them for attending board and committee meetings in accordance with the applicable laws.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Stakeholders' Relationship Committee has been constituted as required under Section 178 (5) of the Act and Regulation 20 of SEBI Listing Regulations.

**a) Terms of Reference**

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends while ensuring cordial investors relations.

**b) Composition and attendance of members at the Meetings held during the year**

As on March 31, 2023, the Stakeholders Relationship Committee comprised of 3 (Three) Directors comprising 2 (Two) Independent and 1 (One) Executive Director.

The composition of the Committee and details of attendance by its members at the meetings of the Committee held in FY 2022-23 are given below:

Members	Category of Director	No. of meetings attended
Mr. Pankaj Baliga - Chairman	Independent, Non-Executive	1
Mr. Kamalaksha Naik	Executive Chairman	1
Mr. Krishnanand Gaonkar	Independent, Non-Executive	1

**c) During the year, one meeting of the Stakeholders Relationship Committee was held on May 06, 2022. The minutes of the meetings of the Committee are placed before and noted by the Board.**

During the year, all recommendations of the Committee, as mandatorily required, were accepted by the Board.

**d) Name and Designation of Compliance Officer**

Ms. Urjita Damle, Company Secretary, is the Compliance Officer for complying with the requirements of the Listing Regulations.

**e) Details of investors complaints received and redressed during the FY 2022-23 are as follows**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	31	31	NIL



## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has formulated a CSR Policy and the same is displayed on the website of the Company.

Since the amount to be spent by a company under section 135(5) does not exceed fifty lakh rupees, the requirement under section 135(1) for constitution of the Corporate Social Responsibility Committee was not applicable to the Company and accordingly the CSR committee was dissolved by the Board at the Board of Directors meeting held on June 30, 2021. The functions of the Committee provided under section 135 is being discharged by the Board of Directors of the company.

## 7. RISK MANAGEMENT POLICY

In accordance with the provisions of the Act and SEBI Listing Regulations, the Company has formulated a Risk Management Policy. The Board shall from time-to-time monitor and review the said policy.

## 8. GENERAL BODY MEETING

### a) Location and time, where last three AGMs were held

Location	Date	Time
L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722	September 23, 2022	11.00 a.m.
	September 30, 2021	11.00 a.m.
	December 11, 2020	11.00 a.m.

### b) Special Resolutions Passed

1. Special Resolutions passed at the last Annual General Meeting held on September 23, 2022:
  - i. There were no special resolutions passed at the last Annual General Meeting held on September 23, 2022.
2. Special Resolutions passed at the Annual General Meeting held on September 30, 2021:
  - i. Re-appointment of Mr. Pradeep Anant Rane as an Independent Director to hold office for second term of Five consecutive years from August 05, 2021 upto August 04, 2026;
  - ii. Re-appointment of Ms. Arati Naik as a Wholetime Director designated as Executive Director to hold office for a period of Five consecutive years with effect from April 01, 2022.
3. Special Resolutions passed at the Annual General Meeting held on December 11, 2020:
  - i. Re-appointment of Mr. Pradeep Gopal Pande as an Independent Director to hold office for second term of two consecutive years;
  - ii. Approval of sharing/distribution of profit not exceeding 1% amongst Non-Executive Directors.

### c) Details of Special resolutions passed through Postal Ballot during the year

None

### d) Details of special resolution proposed to be conducted through Postal Ballot

None

## 9. MEANS OF COMMUNICATION

Quarterly Results	Published in Newspapers
Newspapers in which normally published	Financial Express, The Times of India (in English) and Pudhari (in Marathi)
Any website, where displayed	<a href="http://www.smartlinkholdings.com">www.smartlinkholdings.com</a>
Whether it also displays official News releases	None
The presentations made to Institutional Investors or to the Analysts	Not Applicable

## 10. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date : August 25, 2023

Time : 11.00 a.m.

Venue : L-7, Verna Industrial Estate, Verna, Salcete, Goa – 403722

**b) Financial Calendar**

The Company's financial year begins on April 1<sup>st</sup> and ends on March 31<sup>st</sup> every year. For the year ending March 31, 2024, the results will be announced as per the tentative schedules below:

Particulars	Date*
First Quarter Results	On or before August 14, 2023
Second Quarter Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Fourth Quarter Results	On or before May 30, 2024

\* or as extended by SEBI/MCA from time to time

**c) Dates of Book Closure**

The register of members and the share transfer register will remain closed from August 11, 2023 to August 17, 2023 (both days inclusive).

**d) Dividend payment date**

Not Applicable

**e) Listing on Stock Exchanges**

The shares of the Company are listed on following Stock Exchanges from April 11, 2001.

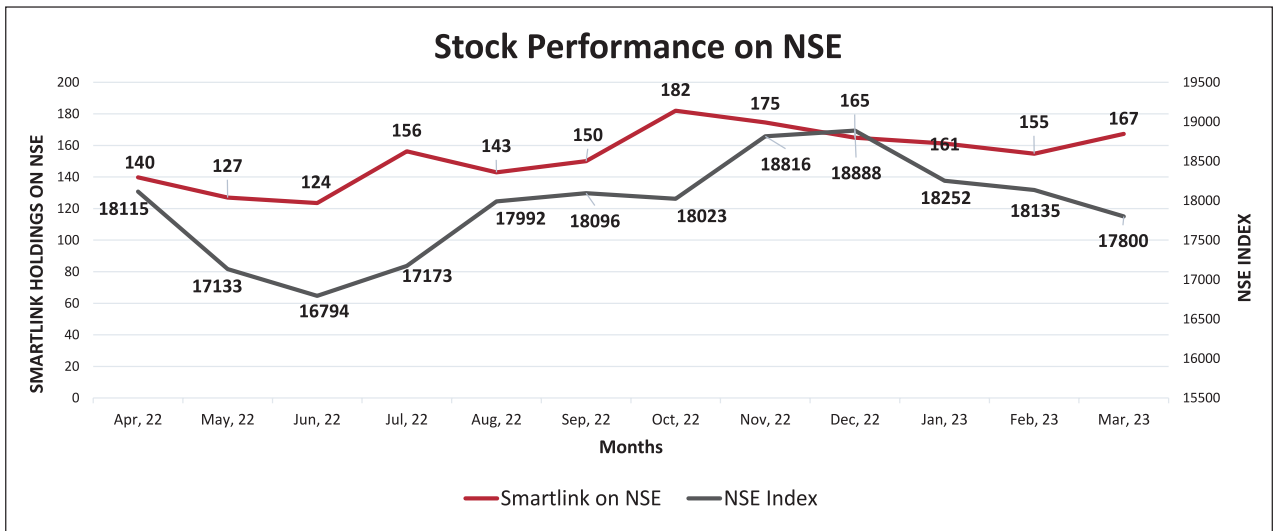
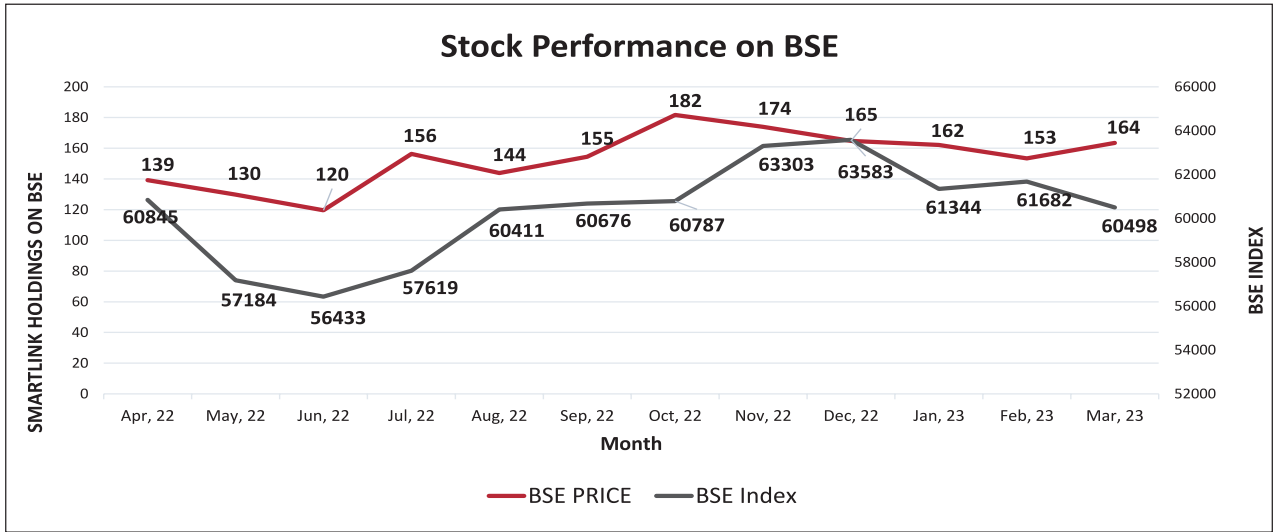
The listing fees were paid to the stock exchanges.

Name & Address of the Stock Exchanges	Stock Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	532419	INE 178C01020
The National Stock Exchange of India Limited Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400051	SMARTLINK	

**f) Market Price Data**

Stock High/Low price during each month in the last financial year 2022-23 and Performance in comparison to broad-based indices viz., BSE Sensex and NSE Nifty:

Month	Smartlink on BSE		BSE Index		Smartlink on NSE		NSE Index	
	High	Low	High	Low	High	Low	High	Low
Apr, 22	139.25	113.00	60,845	56,009	139.75	108.45	18,115	16,825
May, 22	129.85	110.05	57,184	52,632	126.95	111.15	17,133	15,736
Jun, 22	119.60	97.60	56,433	50,921	123.50	96.65	16,794	15,183
Jul, 22	156.30	106.55	57,619	52,094	156.30	106.40	17,173	15,511
Aug, 22	143.85	116.50	60,411	57,367	143.00	124.30	17,992	17,155
Sep, 22	154.50	123.75	60,676	56,147	150.00	123.00	18,096	16,748
Oct, 22	181.70	120.55	60,787	56,683	182.00	120.50	18,023	16,856
Nov, 22	174.00	141.45	63,303	60,425	174.50	142.20	18,816	17,959
Dec, 22	164.80	125.05	63,583	59,754	164.90	130.00	18,888	17,774
Jan, 23	162.20	127.20	61,344	58,699	161.25	131.00	18,252	17,406
Feb, 23	153.40	126.95	61,682	58,796	154.80	127.20	18,135	17,255
Mar, 23	163.50	135.50	60,498	57,085	167.30	138.10	17,800	16,828



**g) Trading of securities**

The equity shares of the Company are actively traded on BSE Limited and National Stock Exchange of India Limited. The securities of the Company were not suspended from trading during the year.

**h) Registrar and Share Transfer Agents**

Kfin Technologies Limited  
 Unit: Smartlink Holdings Limited  
 Selenium Tower B, Plot No 31 & 32  
 Financial District, Nanakramguda,  
 Serilingampally Mandal,  
 Hyderabad – 500 032, Telangana  
 Toll Free No: 1800 309 4001  
 Fax No. 040-23001153  
 Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**i) Share Transfer System**

As per regulation 40 of the Listing Regulation as amended, the company has stopped accepting any share transfer requests for shares held in physical form.

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the SEBI Listing Regulations as amended from time to time.

All requests for transfer and/or dematerialisation of securities, should be lodged with the office of the Company’s Registrar & Share Transfer Agent, Kfin Technologies Limited, Hyderabad or at the registered office of the Company.

## Report on Corporate Governance

Securities lodged for transfers at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Executives of the Registrar are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

### j) Distribution of Shareholding as on March 31, 2023

Sr. No.	Category (Shares) From – To	Number of shareholders	No. of Shares	% to Equity Capital
1.	1-500	12,502	10,71,871	10.75
2.	501-1000	425	3,37,441	3.38
3.	1001-2000	195	2,95,801	2.97
4.	2001-3000	62	1,57,420	1.58
5.	3001-4000	21	74,127	0.74
6.	4001-5000	23	1,08,201	1.08
7.	5001-10000	43	3,31,337	3.32
8.	10001 and above	30	75,98,802	76.18
	<b>Total</b>	<b>13,301</b>	<b>99,75,000</b>	<b>100</b>

### k) Shareholding Pattern as on March 31, 2023

Sr. No.	Category of Shareholders	Total Holdings	Holdings in %
1.	Promoter and Promoter Group	71,15,405	71.33
2.	Financial Institutions / Banks/ Trusts	0	0.00
3.	Bodies Corporate	1,87,789	1.88
4.	Foreign Portfolio Investors	17,942	0.18
5.	Individuals	24,67,744	24.74
6.	Clearing Members	2,401	0.03
7.	NRI's	45,770	0.46
8.	NBFC	0	0.00
9.	IEPF account	26,102	0.26
10.	HUF	1,11,847	1.12
	<b>TOTAL</b>	<b>99,75,000</b>	<b>100</b>

### l) Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on March 31, 2023 is 99,64,241 representing 99.89% of the total number of shares of the Company.

### m) Global Depository Receipts (GDR) or any Convertible instruments, conversion dates and likely impact on Equity - Not Applicable

The Equity Shares of the Company are actively traded on BSE and NSE.

### n) Plant Location

Not Applicable

### o) Address for Correspondence

Shareholders Correspondence should be addressed to:

The Company Secretary,  
Smartlink Holdings Limited  
L-7, Verna Industrial Estate, Verna, Salcete,  
Goa- 403 722, India  
Phone No: 0832-2885400/401  
Fax No: 0832-2783395  
Email: [Company.Secretary@smartlinkholdings.com](mailto:Company.Secretary@smartlinkholdings.com)

Kfin Technologies Limited  
Unit: Smartlink Holdings Limited  
Selenium Tower B, Plot No 31 & 32  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad – 500 032, Telangana  
Toll Free No: 1800 309 4001  
Fax No. 040-23001153  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## 11. DISCLOSURES

- a) All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under regulation 23 of Listing Regulations;
- b) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matters related to capital markets during the last three years;
- c) The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behavior. No person has been denied the access to the Chairman of the Audit Committee;
- d) The Company has complied with all mandatory requirements as stated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e) The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website <https://www.smartlinkholdings.com/wp-content/uploads/2020/03/Subsidiary-Policy-2019-amended.pdf>
- f) The related party policy is disclosed on the website of the Company at <https://www.smartlinkholdings.com/wp-content/uploads/2021/05/Related-Party-Transactions-Policy-Smartlink-2021.pdf>
- g) Details of foreign currency exposure and hedging – None;
- h) The Company had obtained a certificate from a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by the Board/ Ministry of Corporate Affairs or any such statutory authority as at March 31, 2023. The Certificate is part of this report;
- i) There are no instances where the board had not accepted any recommendations of any committees of the board which is mandatorily required, for the financial year ended March 31, 2023;
- j) M/s Shridhar & Associates, Chartered Accountants (Firm Registration No. 134427W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees on consolidated basis is given in note No. 35(1) of the Consolidated Financial Statement;
- k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - i. Number of complaints filed during the financial year – Nil;
  - ii. Number of complaints disposed off during the financial year – Nil;
  - iii. Number of complaints pending as at end of the financial year – Nil.
- l) There is no non-compliance of any requirement of Schedule V(C) (2) to (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- m) Details of material subsidiary of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiary

Sr. No.	Name of Material Subsidiary	Date of Incorporation	Place of incorporation	Name of Statutory Auditors	Date of Appointment
1.	Digisol Systems Limited	17/8/2016	Verna Goa	MSKA & Associates	07-08-2018 for a term of 5 years
2.	Synegra EMS Limited	17/8/2016	Verna Goa	MSKA & Associates	07-08-2018 for a term of 5 years

- n) Compliance with Non-Mandatory Requirements
  - i. The Board of Directors:  
The Company has an Executive Chairman. No separate office is maintained for Non-Executive Chairperson and the expenses incurred during performance of duties are reimbursed.
  - ii. Shareholder's Right:  
The Company does not send half yearly declaration of financial performance to its shareholders. The financial results are displayed on the Company's website.
  - iii. Modified opinion in audit reports:  
During the year under review, there were no audit qualifications on the Company's financial statements.
  - iv. Reporting of Internal Auditor  
The Company has appointed Marathe Rao & Swarup, Chartered Accountants as the Internal Auditor of the Company for reviewing the internal control system operating in the Company. The Internal Auditor reports directly to the Audit Committee.
- o) The Company has complied with all the mandatory requirements as stated in Regulation 72 of SEBI Listing Regulations and Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regards to Corporate Governance;
- p) Disclosure with respect to Demat Suspense Account / Unclaimed suspense account:  
There were no shares in the Demat suspense account or unclaimed suspense account during the FY 2022-23.

## Annexure-F

### Corporate Governance Compliance Certificate under SEBI LODR

#### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY SMARTLINK HOLDINGS LIMITED

To the members of **SMARTLINK HOLDINGS LIMITED**

I have examined the compliance with conditions of Corporate Governance by SMARTLINK HOLDINGS LIMITED ('the Company') under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31<sup>st</sup> March, 2023.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR Regulations. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR Regulations.

The compliance with conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted and implementation thereof, by the Company for ensuring compliance with the condition of Corporate Governance under LODR Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Shivaram Bhat**

Place: Panaji, Goa  
Date : May 17, 2023

**Practicing Company Secretary**  
**ACS10454 CP7853 PR**  
1775/2022  
UDIN: A010454E000321875

## Annexure - G

### Statement of Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- I. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;  
II. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Name of the Director/Key Managerial Personnel	Ratio of the remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Kamalaksha Naik - Executive Chairman & Promoter	NA	NA
2.	Mr. Krishnanand Gaonkar - Independent Director	Nil	Nil
3.	Mr. Pradeep Rane - Independent Director	Nil	Nil
4.	Mr. Pankaj Baliga - Independent Director	Nil	Nil
5.	Ms. Arati Naik - Executive Director & Promoter	N.A.	NA
6.	Mr. Bhanubhai Patel - Independent Director	Nil	Nil
7.	Ms. Urjita Damle - Company Secretary	N.A.	16
8.	Mr. K. G. Prabhu - Chief Financial Officer	N.A.	24*

Notes:

- Mr. Krishnanand Gaonkar, Mr. Pradeep Rane, Mr. Pankaj Baliga, and Mr. Bhanubhai Patel were paid sitting fees for attending the Meetings.
  - There was no Remuneration paid to Mr. Kamalaksha Naik, Executive Chairman and Ms. Arati Naik, Executive Director during the Financial year ended March 31, 2023 as well as for the previous financial year.
  - \*The percentage increase in remuneration excludes one time performance link payment made during the FY 2022-23.
- III. The percentage increase in the median remuneration of employees in the FY 2022-23 is 10.76%;
- IV. The number of permanent employees on the rolls of Company as on March 31, 2023 were 20;
- V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Increase in Managerial remuneration is line with increase in the remuneration paid to the other employees of the Company. Average percentile change in the salaries of employees other than Managerial Personnel is 8.44%;
- VI. Affirmation that the remuneration is as per the remuneration policy of the Company:  
The Directors affirm that the remuneration is as per the remuneration policy.

## Annexure-H

### Format for the Annual Report on CSR Activities to be Included in the Board's Report

1. Brief outline on CSR Policy of the Company

CSR policies are to actively contribute to the social and economic development of the Country. In so doing build a better, sustainable way of life, to contribute effectively towards inclusive growth and raise the Country's human development index.

The CSR policy of Smartlink Holdings Limited aims to contribute towards sustainable development of the society and environment and to make the planet a better place for future generations. The philosophy of CSR is imbibed in our business activities and social initiatives taken in the area of health, sanitation, drinking water, education, environment, animals and infrastructure, etc.

Our projects focus on education, healthcare, relief to the families in case of natural calamities, animal welfare and social reforms. The activities enlisted in our CSR Policy are carried out by the company either individually or in association with eligible Implementing Agencies registered with the Ministry of Corporate Affairs.

The Company has formulated a CSR Policy and the same is displayed on the website of the Company at:

<https://www.smartlinkholdings.com/wp-content/uploads/2022/10/Smartlink-Corporate-Social-Responsibility-Policy.pdf>.

2. Composition of CSR Committee

Since the amount to be spent by a company under section 135(5) does not exceed fifty lakh rupees, the requirement under-section 135(1) for constitution of the Corporate Social Responsibility Committee is not applicable to the Company. The functions of the Committee provided under section 135 is being discharged by the Board of Directors of the company.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy weblink: <https://www.smartlinkholdings.com/wp-content/uploads/2022/10/Smartlink-Corporate-Social-Responsibility-Policy.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135.

INR 369.87 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135.

INR 7.40 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.

NIL

(d) Amount required to be set-off for the financial year, if any.

INR 0.24 Lakhs

(e) Total CSR obligation for the financial year [(b) + (c) - (d)].

INR 7.16 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

INR 7.65 Lakhs

(b) Amount spent in Administrative Overheads.

NIL

(c) Amount spent on Impact Assessment, if applicable.

NIL

(d) Total amount spent for the Financial Year [(a) + (b) + (c)].

INR 7.65 Lakhs

(e) CSR amount spent or unspent for the Financial Year:



Total Amount Spent for the Financial Year (in INR Lakhs)	Amount Unspent (in INR Lakhs)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.65	NIL	NA	NA	NIL	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	7.40
(ii)	Total CSR obligation for the financial year	7.16
(iii)	Total amount spent for the Financial Year	7.65
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	0.49
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(vi)	Amount available for set off in succeeding Financial Years [(iii)-(ii)]	0.49

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer	
NA	NA	NIL	NIL	NIL	NIL	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 – Not applicable

**K. R. Naik**  
Executive Chairman

**Bhanubhai Patel**  
Director

Place: Mumbai  
Date : May 17, 2023

## Annexure-I

### FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

##### Part "A": Subsidiaries

(in INR Lakhs)

Sr. No	Particulars	Details	Details
1.	Name of the subsidiary	Digisol Systems Limited	Synegra EMS Limited
2.	The date since when subsidiary was acquired	17th August, 2016	17th August, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.
5.	Share capital	410.00	2,500.00
6.	Reserves & surplus	2,000.61	(1,340.23)
7.	Total assets	7,408.65	4,175.78
8.	Total Liabilities	4,998.04	3,016.01
9.	Investments	-	-
10.	Turnover	15,071.35	5,380.88
11.	Profit/Loss before taxation	455.56	(74.76)
12.	Provision for taxation	12.39	-
13.	Profit/Loss after taxation	443.17	(74.76)
14.	Other comprehensive income	(19.81)	(13.00)
15.	Total Comprehensive Income for the year	423.36	(87.76)
16.	Proposed Dividend	-	-
17.	Extent of shareholding (In percentage)	100	100

**Note:** 1. there are no other subsidiaries of the Company

##### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board

Place : Mumbai  
Date : May 17, 2023

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

## Annexure - J

### FORM NO. AOC-2

(Pursuant to clause(h) of Sub Section 3 of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contract or arrangements or transactions not at arm's length basis: Smartlink Holdings Limited ('the Company') has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2022-23. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
  - a. Name(s) of the related party and nature of relationship: Not Applicable
  - b. Nature of contracts/arrangements/transactions: Not Applicable
  - c. Duration of the contracts/arrangements/transactions: Not Applicable
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - f. Date(s) of approval by the Board: Not Applicable
  - g. Amount paid as advances, if any: Not Applicable
  - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

#### For SMARTLINK HOLDINGS LIMITED

**K. R. Naik**

Executive Chairman

DIN: 00002013

Place: Mumbai

Date : May 17, 2023

# Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
**SMARTLINK HOLDINGS LIMITED**  
Verna, Salcete Goa

I have examined the relevant registers, records, forms, returns and disclosures received from Directors of **SMARTLINK HOLDINGS LIMITED** having CIN L67100GA1993PLC001341 and having registered office at Verna, Salcete, Goa (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	KAMALAKSHA RAMA NAIK	00002013	31/03/1993
2	KRISHNANAND MARUTI GAONKAR	00002425	24/05/2000
3	PANKAJ MADHAV BALIGA	00002864	22/12/2005
4	BHANUBHAI RAMJIBHAI PATEL	00223115	09/09/2014
5	PRADEEP ANANT RANE	01446215	26/12/2006
6	ARATI KAMALAKSHA NAIK	06965985	09/09/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Shivaram Bhat**

Place: Panaji, Goa  
Date : May 17, 2023

**Practicing Company Secretary**  
ACS 10454, CP 7853, PR 1775/2022  
UDIN: A010454E000321831

## Declaration by Executive Chairman

[Regulation 34(3) read with Schedule V (Part D)  
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, K. R. Naik, Executive Chairman of Smartlink Holdings Limited, hereby declare that the Company has in respect of the financial year ended March 31, 2023, received from all the members of the Senior Management of the Company and of the Board, a declaration for compliance with the code of conduct of the Company as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**For Smartlink Holdings Limited**

Place: Mumbai  
Date : May 17, 2023

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

# Independent Auditor's Report

## TO THE MEMBERS OF SMARTLINK HOLDINGS LIMITED Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Smartlink Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023 (current period). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Valuation of Investments in Bonds and Mutual Funds

Refer Note 10 to the standalone Financial Statements.

As at March 2023, the Company has investments of Rs. 10,743.30 Lakhs in mutual funds and bonds which constitutes about 51.63% of the total assets of the company. During the year, the Company has recognised Rs. 317.78 Lakhs as fair value gain in the statement of Profit and Loss as per the requirements of Ind AS 109 "Financial Instruments".

Due to significance of amount involved, we have considered this as Key Audit Matter.

Our audit procedures to assess the Valuation of Investment in Bonds and Mutual Funds included the following: -

- Obtained an understanding and assessed the design, implementation and testing of the operating effectiveness of internal controls over the existence, valuation and classification, in mutual funds and bonds.
- Verified the de-mat account and statement of holdings to confirm the existence and accuracy of Bonds as at March 31, 2023.
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2023.
- In respect of investments in mutual funds which are fair valued through profit or loss, performed independent price checks based on confirmation and statement of Net Asset Value (NAV) from mutual funds houses.
- In respect of investments in bonds which are valued at amortised cost, verified the deal sheets and computation of interest accrued.
- Evaluated the basis of classification of investments into the various categories of financial instruments.
- Verified the completeness and accuracy of the disclosures, which are included in note 10 of the Standalone financial statements.

#### 2. Impairment of Investment in subsidiaries

Refer Note 10 in standalone financial statements.

The Company has investments in subsidiaries at a gross value of Rs. 7,031.72 lakhs as on March 31, 2023. These investments are valued at cost less provision for impairment.

During the year, the Company has reversed the provision for impairment of Rs. 143.95 lakhs on investments in subsidiaries.

Due to significance of the above matter and involvement of the management judgement, we have considered this as a key audit matter.

**Our audit procedures to assess the impairment of investment in subsidiaries included the following:**

- Obtained an understanding and assessed the design, implementation and tested the operating effectiveness of internal controls over the valuation and impairment of investments in subsidiary companies.
- Obtained and reviewed the valuation report of the subsidiary to understand the fair value of the company in respect of which the provision for impairment was reversed during the period.
- Reviewed the financial statements of the subsidiaries and the future business plans/ projections furnished by the management.
- Made corroborative inquiries with appropriate level of the management personnel about future business plans/projections of the subsidiaries.
- Evaluated the evidence supporting the judgement of the management about estimated future cash flow and the reasonableness of the estimates which included specific risk factors by comparing the actual results of the current year to previous estimates.
- Assessed the appropriateness of impairment provision recognized by the management as at March 31, 2023.
- Verified the completeness and accuracy of the disclosures, which are included in note 10 of the standalone financial statements.

# Independent Auditor's Report

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent Auditor's Report

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations on its financial position which requires disclosure in the standalone financial statements as at March 31, 2023.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
    - iv.
      - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
    - v. The Company has neither declared nor paid any dividend during the year.
3. In our opinion, according to information, explanations given to us, the remuneration for the year ended March 31, 2023 paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V to the Act.
4. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

**For Shridhar & Associates**

Chartered Accountants  
ICAI Firm Registration No. 134427W

**Abhishek Pachlangia**

Partner  
Membership No. 120593  
UDIN: 23120593BGWJMM2193

Place : Mumbai  
Date : May 17, 2023

## Annexure A to the Independent Auditor's Report OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report on even date to Member of Smartlink Holding Limited on the Standalone Financial Statements for the year ended March 31, 2023]

- i. (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE") and relevant details of right to use assets.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is an investment company, and consequently, does not hold any inventory. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee to the companies. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantee to other entity as below:

(Amount in Rs. Lakhs):

Particulars	Guarantees
Aggregate amount granted/provided during the year	
- Subsidiaries	6,570.00
Balance Outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	6,570.00

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to guarantees provided are not prejudicial to the interest of the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of sections 73, 74, 75 and 76 of the Act, and the rules framed thereunder. Accordingly, the provisions stated in paragraph 3(v) of the Order are not applicable to the Company.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.



## Annexure A to the Independent Auditor's Report (Cond.)

- vii. (a) According to the information and explanations given to us and records examined by us, the Company has been generally regular in depositing undisputed statutory dues in respect of provident fund, professional tax, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues as applicable, with the appropriate authorities though there has been delays in few cases with regards to professional tax. According to the information and explanations given to us, there are no arrears of outstanding undisputed statutory dues as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, "Related Party Disclosure" specified under section 133 of the Act, read with relevant rules issued thereunder.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-banking financial institution without accepting deposits vide Registration number N-13.02236 dated May 02, 2018.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

## Annexure A to the Independent Auditor's Report (Cond.)

- xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of audit report. Accordingly the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. There are no Qualifications/adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) Reports of the companies included in the consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

**For Shridhar & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 134427W

**Abhishek Pachlangia**  
Partner  
Membership No. 120593  
UDIN: 23120593BGWJMM2193

Place : Mumbai  
Date : May 17, 2023

## **Annexure B to The Independent Auditor's Report OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Smartlink Holdings Limited on the standalone financial statements of the Company for the year ended March 31, 2023]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Smartlink Holdings Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Shridhar & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 134427W

**Abhishek Pachlangia**  
Partner  
Membership No. 120593  
UDIN: 23120593BGWJMM2193

Place : Mumbai  
Date : May 17, 2023

# Standalone Balance Sheet as at March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5	35.51	31.10
Bank balance other than cash and cash equivalents	6	803.58	1,082.58
Receivables			
(i) Other Receivables	7	55.36	75.38
Investments	10	17,522.12	15,047.52
Other financial assets	8	9.38	25.23
<b>Non-financial Assets</b>			
Tax assets (net)	9	147.21	56.75
Investment property	11	1,280.03	1,467.85
Property, plant and equipment	12	875.44	840.39
Capital work-in-progress	43	-	215.70
Other intangible assets	13	-	-
Other non-financial assets	14	77.61	64.85
<b>Total Assets</b>		<b>20,806.24</b>	<b>18,907.35</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		115.64	44.44
Borrowings (Other than debt securities)	16	147.31	180.22
Other financial liabilities	17	77.27	52.77
<b>Non-Financial Liabilities</b>			
Provisions	18	5.07	5.35
Deferred tax liabilities (net)	31	365.70	311.26
Other non-financial liabilities	19	10.48	3.80
<b>EQUITY</b>			
Equity share capital	20	199.50	199.50
Other equity	21	19,885.27	18,110.01
<b>Total Liabilities and Equity</b>		<b>20,806.24</b>	<b>18,907.35</b>

See accompanying notes forming part of the Financial Statements

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The accompanying notes are an integral part of the financial statements

As per my report of even date

**For Shridhar & Associates**

Chartered Accountants

ICAI Firm Registration No.: 134427W

**Abhishek Pachlangia**

Partner

Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of

**Smartlink Holdings Limited**

CIN: L67100GA1993PLC001341

**K. R. Naik**

Executive Chairman

DIN: 00002013

**K. G. Prabhu**

Chief Financial Officer

Mumbai, dated: May 17, 2023

**Arati Naik**

Executive Director

DIN: 06965985

**Urjita Damle**

Company Secretary

ICSI Membership No.24654

# Statement of Standalone Profit and Loss for the year ended March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>INCOME</b>			
<b>Revenue from operations</b>			
Interest Income	22	427.97	466.74
Rental Income	36(B)	196.50	90.53
Fees and commission Income	23	12.24	9.62
Net gain on fair value changes	24	317.78	342.48
<b>Total revenue from operations</b>		<b>954.49</b>	<b>909.37</b>
Other Income	25	150.69	2,819.64
<b>Total income</b>		<b>1,105.18</b>	<b>3,729.01</b>
<b>EXPENSES</b>			
Finance costs	26	16.69	16.70
Impairment on financial instruments	27	0.26	4.78
Employee benefits expenses	28	285.91	276.48
Depreciation and amortisation expense	29	102.22	108.31
Other expenses	30	679.13	385.18
<b>Total expenses</b>		<b>1,084.21</b>	<b>791.45</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>20.97</b>	<b>2,937.56</b>
Exceptional Items	11(c)	2,091.57	-
<b>Profit / (Loss) before tax</b>		<b>2,112.54</b>	<b>2,937.56</b>
Tax Expense:			
- Current Tax		334.89	108.42
- Deferred Tax		53.29	(73.11)
- Taxes adjustment for earlier year		(49.72)	6.90
Total tax expense	31(F)	338.46	42.21
<b>Profit / (Loss) for the year</b>		<b>1,774.08</b>	<b>2,895.35</b>
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		4.61	(3.10)
Income tax relating to above		(1.16)	0.78
Subtotal (A)		3.45	(2.32)
B. Items that will be reclassified to profit or loss			
Net fair value gain/ (loss) on financial instruments		-	-
Income tax relating to above		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		3.45	(2.32)
<b>Total Comprehensive Income for the year</b>		<b>1,777.53</b>	<b>2,893.03</b>
Basic and diluted Earnings per share (Nominal value per share INR 2)	32	17.79	27.59

See accompanying notes forming part of the Financial Statements

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The accompanying notes are an integral part of the financial statements

As per my report of even date

## For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

## Abhishek Pachlangia

Partner

Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of

## Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

## K. R. Naik

Executive Chairman

DIN: 00002013

## K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 17, 2023

## Arati Naik

Executive Director

DIN: 06965985

## Urjita Damle

Company Secretary

ICSI Membership No.24654

# Statement of Standalone Cash Flow for the year ended March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Cash flow from operating activities</b>		
Net Profit before tax	2,112.54	2,937.56
Adjustments for:		
Depreciation and amortisation expense	102.22	108.31
Interest on income tax refund	(0.44)	-
Loss / (Profit) on Property, plant and equipment sold / written off (net)	(2,095.14)	(0.46)
Net gain on fair value changes	(317.78)	(342.48)
Reversal of Impairment on Investment	(143.95)	(2,818.32)
Impairment on financial instruments	0.00	5.00
EIR impact of security deposits and rent amortization	(0.24)	(0.60)
EIR impact of interest income on bonds	6.94	6.84
Bad Debts Written off	58.16	
Unrealised foreign exchange difference (net)	(0.01)	(0.01)
Finance costs	16.69	16.70
Guarantee commission	(12.24)	(9.62)
Gain on derecognition of financial instrument measured at amortised cost	(2.72)	-
<b>Operating (loss) before working capital changes</b>	<b>(275.71)</b>	<b>(97.30)</b>
<b>Changes in working capital</b>		
(Increase) / Decrease in Investments	(1,999.86)	4,816.72
(Increase) / Decrease in Fixed deposits with Banks	279.01	(621.39)
(Increase) / Decrease in Other Receivables	(38.14)	13.63
(Increase) / Decrease in Other financial assets	16.94	(0.02)
(Increase) / Decrease in Other non-financial assets	(12.76)	(1.01)
Increase / (Decrease) in trade payables	71.20	(38.51)
Increase / (Decrease) in Other financial liabilities	12.46	(49.75)
Increase / (Decrease) in Other non-financial liabilities	6.67	1.24
Increase / (Decrease) in provisions	4.32	(2.93)
<b>Cash generated from/(used in) operations</b>	<b>(1,935.87)</b>	<b>4,020.68</b>
Net Income tax paid	(375.19)	(129.50)
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(2,311.06)</b>	<b>3,891.18</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and investment property	(121.83)	(5.32)
Proceeds from Sale of property, plant and equipment and intangible assets	2,459.22	0.46
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>2,337.39</b>	<b>(4.86)</b>
<b>Cash flow from Financing activities</b>		
Buyback of Company's equity shares	-	(3,158.75)
Tax on Buyback of Company's equity shares	-	(704.57)
Interest payments	(2.29)	(0.75)
Cash Payment for the principal portion of lease payments	(19.64)	(31.46)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(21.93)</b>	<b>(3,895.53)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>4.40</b>	<b>(9.21)</b>
Cash and cash equivalents at the beginning of the year	31.10	40.30
Effect of exchange differences on restatement of foreign currency Cash and bank balance	0.01	0.01
<b>Cash and cash equivalents at the end of the year</b>	<b>35.51</b>	<b>31.10</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
On current accounts	33.50	28.88
Cash on hand	2.01	2.22
<b>Total cash and cash equivalents at end of the year</b>	<b>35.51</b>	<b>31.10</b>

(i) The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

(ii) Non Cash Movement in Financing Activity

Lease Liabilities	(13.27)	15.04
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See accompanying Notes forming part of the financial statements 1-62  
The accompanying notes are an integral part of the financial statements

As per my report of even date

**For Shridhar & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 134427W

**Abhishek Pachlangia**  
Partner  
Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of  
**Smartlink Holdings Limited**  
CIN: L67100GA1993PLC001341

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

**K. G. Prabhu**  
Chief Financial Officer

Mumbai, dated: May 17, 2023

**Arati Naik**  
Executive Director  
DIN: 06965985

**Urjita Damle**  
Company Secretary  
ICSI Membership No: 24654

## Statement of Standalone Changes in Equity as at March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

### EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Opening	99,75,000	199.50	1,33,00,000	266.00
Less: Bought back during the year	-	-	(33,25,000)	(66.50)
<b>Closing</b>	<b>99,75,000</b>	<b>199.50</b>	<b>99,75,000</b>	<b>199.50</b>

### OTHER EQUITY

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Total
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account			
Balance at April 01, 2021	92.95	320.43	334.10	5,567.20	12,693.96	2.89	2.27	19,013.80
Profit for the year	-	-	-	-	2,895.35	-	-	2,895.35
Other comprehensive income / (loss)	-	-	-	-	-	(2.32)	-	(2.32)
Total Comprehensive Income for the year	-	-	-	-	2,895.35	(2.32)	-	2,893.03
Buyback of equity shares	-	-	66.50	-	(3,158.75)	-	-	(3,092.25)
Tax on buyback of equity shares	-	-	-	-	(704.57)	-	-	(704.57)
Transfer to Statutory Reserve	-	579.07	-	-	(579.07)	-	-	-
<b>Balance at March 31, 2022</b>	<b>92.95</b>	<b>899.50</b>	<b>400.60</b>	<b>5,567.20</b>	<b>11,146.92</b>	<b>0.57</b>	<b>2.27</b>	<b>18,110.01</b>

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Total
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account			
Balance at April 01, 2022	92.95	899.50	400.60	5,567.20	11,146.92	0.57	2.27	18,110.01
Profit for the year	-	-	-	-	1,774.08	-	(2.27)	1,771.81
Other comprehensive income / (loss)	-	-	-	-	-	3.45	-	3.45
Total Comprehensive Income for the year	-	-	-	-	1,774.08	3.45	(2.27)	1,775.26
Transfer to Statutory Reserve	-	354.82	-	-	(354.82)	-	-	-
<b>Balance at March 31, 2023</b>	<b>92.95</b>	<b>1,254.32</b>	<b>400.60</b>	<b>5,567.20</b>	<b>12,566.18</b>	<b>4.02</b>	<b>-</b>	<b>19,885.27</b>

# Notes forming part of the Standalone financial statements for the year ended March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

## NOTE 1: CORPORATE INFORMATION

Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) ("Company"), incorporated in Goa is a Non-Banking Financial Institution (NBFI) (non-deposit taking) as defined under Reserve Bank of India Act, 1934. The Company is public limited company incorporated and domiciled in India and has its registered office at Verna Industrial Estate, Goa, India. The company has its listing on BSE Limited and NSE limited.

The Company operates as an Investment Company and earns majorly from investing activity.

The Financial Statements for the year ended March 31, 2023 were approved for issue by company's Board of Directors on May 17, 2023.

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are as under:

### 2.1 Basis of Preparation of Financial Statements

#### (a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees (INR) in lakhs, which is also the functional currency of the company and all amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, except when otherwise indicated.

#### (b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

### 2.2 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to it up to the date it is ready for its intended use. Cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date are shown under capital work-in-progress.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance costs are charged to Statement of Profit and Loss during the year in which they are incurred.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment using the straight line method over their estimated useful lives as under:

Property, plant and equipment	Useful Lives (in years)
Furniture and Fixtures	8
Motor Vehicle	5
Office Equipments	5
Electrical Installations	10
Air Conditioners	10
Computers	3

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Depreciation on derecognition of an asset from property plant and equipment is provided up to the date preceding the date of derecognition.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.



## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### 2.3 Investment properties

Property that is held for long - term rental yield or for capital appreciation or both, and that is not used in the production of goods and services or for administrative purposes is classified as investment property.

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Investment properties include properties leased out and measured under Ind AS 116 as right of use assets.

### 2.4 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in statement of Profit & Loss account.

The Company amortized intangible assets using the straight line method over their estimated useful lives as under :

Intangible assets	Useful life (in years)
Computer Software (ERP)	3
Computer Software (other software) * Subject to license period	4*

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### 2.5 Foreign Currency Transactions

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 2.6 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)."
- Level 3 — Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

### 2.7 Revenue Recognition

#### (a) Interest income - the effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

### (b) Revenue from lease rentals

Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

### (c) Dividend Income

Dividend income (including from FVTOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

### (d) Trading Income

Trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

## 2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

## 2.9 Leases

The Company's lease asset classes primarily consist of leases for office and factory premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset."

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.10 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of an assets fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## 2.11 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents include cash on hand, cash in bank and short-term deposits net of bank overdraft.

### 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Investment in subsidiaries

Interest in subsidiaries are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

#### (b) Other investments and financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in interest income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in Interest income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

##### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

(iv) **Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(c) **Financial liabilities**

(i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(d) **Financial Guarantee Contracts**

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

(e) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.14 Employee Benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: The Company's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Company has no obligation, other than the contribution payable to the provident fund.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity:

The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in surplus in statement of profit and loss account and is not reclassified to profit or loss in subsequent periods.

### (c) Other long term employee benefits:

Company's liabilities towards compensated absences to employees which are expected to be availed or encashed beyond 12 months from the end of the year are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

### 2.15 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 2.16 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 2.17 Dividend on ordinary shares

The Company recognises a liability when the distribution is authorised by the shareholders. A corresponding amount is recognised directly in equity.

### 2.18 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

## NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 are as below:

### (a) Useful life of Property, plant and equipment, Investment Property and intangible assets and its expected residual value

Property, plant and equipment, Investment Property and other intangible assets represent a significant proportion of the assets of the Company. Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### (b) Fair value measurements and valuation processes

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility for further details about determination of fair value.

### (c) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Information about such valuation is provided in notes to the financial statements.

### (d) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

**(e) Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

**(f) Impairment of financial asset**

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVTOCI) except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**NOTE 4:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**(i) Ind AS 1 – Disclosure of material accounting policies:**

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in its financial statements.

**(ii) Ind AS 8 – Definition of accounting estimates:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

**(iii) Ind AS 12 – Income Taxes**

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

a) Right-of-use assets and lease liabilities

b) Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset.

Therefore, if a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of-use assets and lease liabilities.

**(iv) Ind AS 103 – Common control Business Combination**

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

These amendments have no impact on the financial statements of the Company.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 5: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	2.01	2.22
Balances with banks		
On current accounts	33.50	28.88
<b>Total</b>	<b>35.51</b>	<b>31.10</b>

### NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2023	As at March 31, 2022
In Fixed deposit with maturity for more than 12 months*	768.66	1,044.26
Accrued interest on fixed deposit	33.08	34.18
Unpaid dividend accounts	1.84	4.14
<b>Total</b>	<b>803.58</b>	<b>1,082.58</b>

\*

- Includes INR 72.45 lakhs (March 31, 2022 INR 72.45 lakhs) held as margin money against bank guarantee.
- Includes INR NIL (March 31, 2022 INR 330.00 lakhs) held against corporate guarantee to bank for credit facilities availed by Digisol Systems Limited.
- Includes INR 660.00 lakhs (March 31, 2022 INR 610 lakhs) held against corporate guarantee to bank for credit facilities availed by Synegra EMS Limited.

### NOTE 7: RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Others Receivables</b>		
Considered good, unsecured (Refer Note 37)	55.36	75.38
From related parties :		
Digisol Systems Limited	16.98	14.26
Synegra EMS Limited	30.11	25.44
Telesmart SCS Limited	-	32.72
	47.09	72.42
From others:	8.27	2.96
<b>Total Receivables</b>	<b>55.36</b>	<b>75.38</b>

#### Receivables ageing

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Undisputed Trade receivables – considered good</b>		
Unbilled Dues	-	-
Not Due	1.58	1.65
Less than 6 months	52.13	15.57
6 months - 1 year	0.03	0.60
1-2 years	1.62	44.61
2-3 years	-	12.95
More than 3 years	-	-
<b>Total</b>	<b>55.36</b>	<b>75.38</b>

There are no dues from director or other officer of the company or any firm or private company in which any director is a partner, a director or a member, except as disclosed in note 37.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 8: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits (Gross)	7.93	31.92
Less: Provision for impairment loss	-	(7.99)
Security Deposits (Net)	7.93	23.93
Advance to employees	1.45	1.30
<b>Total</b>	<b>9.38</b>	<b>25.23</b>

### NOTE 9: CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions for taxation of INR 1,051.50 lakhs (March 31, 2022: INR 1,966.33 lakhs))	147.21	56.75
<b>Total</b>	<b>147.21</b>	<b>56.75</b>

### NOTE 10: INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments measured at Cost</b>		
Subsidiaries	7,031.71	6,140.86
<b>Investments measured at amortised cost</b>		
Debt securities	4,551.90	5,056.62
Fixed Deposits	1,537.31	-
<b>Investments measured at Fair Value through Profit or Loss</b>		
Mutual funds	6,191.41	5,915.92
<b>Investments measured at Fair Value through Other Comprehensive Income</b>		
Debt securities	-	49.30
<b>Total - Gross (A)</b>	<b>19,312.33</b>	<b>17,162.70</b>
Less: Allowance for Impairment loss (B)	(1,790.21)	(2,115.18)
<b>Total - Net (A)-(B)</b>	<b>17,522.12</b>	<b>15,047.52</b>
Investments outside India	-	-
Investments in India	17,522.12	15,047.52

### DETAILS OF INVESTMENTS

Particulars	Face Value	Nos		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>1. Investments measured at Cost</b>					
<b>Investments in Equity shares of subsidiaries (Unquoted): (Fully paid up)</b>					
Digisol Systems Limited (refer foot note 1)	1	4,29,59,857	4,10,00,000	4,471.12	4,288.36
Synegra EMS Limited	10	2,50,00,000	1,50,00,000	2,560.59	1,555.96
Telesmart SCS Limited (refer foot note 1)	10	-	28,80,000	-	296.54
Total - Gross				7,031.71	6,140.86
Less: Allowance for Impairment loss				(1,790.21)	(2,065.88)
<b>Total - Net</b>				<b>5,241.50</b>	<b>4,074.98</b>



## Notes forming part of the Standalone financial statements

### NOTE 10: INVESTMENTS (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Face Value	Nos		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>2. Investments measured at Amortised Cost</b>					
<b>Investments in bonds (Quoted) (refer note3):</b>					
Cholamandalam Perp NCD Series PDI 10 12.90%	5,00,000	-	40	-	241.65
Tata Power Company Limited 2072 - NCD 10.75%	10,00,000	-	55	-	590.01
Canara Bank BD Perpetual - 9.55%	10,00,000	10	10	100.58	100.59
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	10,00,000	30	30	320.90	320.90
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	10,00,000	30	30	320.94	320.94
HDFC Bank Limited Perpetual - BD 8.85%	10,00,000	-	28	-	302.57
Tata Motors Finance Limited Perpetual NCD -11.10%	10,00,000	30	30	342.74	343.01
Bajaj Finance Ltd 2027 - NCD 8.15%	10,00,000	5	5	50.63	50.63
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	-	20,000	-	210.01
L&T infrastructure Finance Company Limited -NCD 7.65%	25,00,000	-	12	-	312.94
L&T Infrastructure Finance Company Limited - NCD 8.81%	25,00,000	-	5	-	134.60
UP Power Corporation Limited - NCD 10.15%	10,00,000	10	10	102.29	102.68
North Eastern Electric Power Corporation Limited - NCD 7.68%	10,00,000	20	20	206.13	206.34
ICICI Bank DDB tier -II 0.00%	1,00,000	-	365	-	348.54
Tata Sons Ltd NCD - 9.54%	10,00,000	-	15	-	163.53
M&M Financial Services Ltd 2031 - 7.35%	10,00,000	20	20	210.83	210.83
State Bank of India Unsecured Rated Listed Additional Tier I Non Convertible Bond - 7.72%	1,00,00,000	3	3	314.09	314.30
8.50% Muthoot Fincorp Limited	10,00,000	-	10	-	100.65
Punjab National Bank Tier II - 8.93%	10,00,000	-	10	-	103.85
Kotak Mahindra Bank Limited Basel III perp - 8.10%	5	40,00,000	40,00,000	201.20	202.68
State Bank of India perp - 100 year - 7.55%	1,00,00,000	2	2	204.50	204.52
L&T Finance Limited Tier II (series-s) - 9.95%	10,00,000	16	16	167.50	170.85
Punjab National Bank (TIER II) Bonds - 9.20%	10,00,000	11	-	117.47	-
L&T Finance Limited MLD	10,00,000	20	-	200.23	-
TATA Capital Financial Services Limited - 7.89%	10,00,000	50	-	529.18	-
L&T Finance Limited - 8.75%	10,00,000	9	-	92.87	-
Mahindra & Mahindra Financial Services LTD - 7.90%	10,00,000	50	-	523.41	-
Bank Of India (Series XI) - 9.80%	10,00,000	8	-	88.49	-
PNB Housing Finance Limited Bonds (Series XVII.B) - 9.48%	10,00,000	25	-	252.66	-
L & T Finance Limited - 8.90%	10,00,000	19	-	205.26	-
				<b>4,551.90</b>	<b>5,056.62</b>
<b>Fixed Deposits (Unquoted)</b>					
Fixed Deposit with Bajaj Finance Limited (refer foot note 2)	15,00,00,000	3	-	1,537.31	-
				<b>1,537.31</b>	<b>-</b>
<b>3. Investments measured at Fair Value through Profit or Loss</b>					
<b>Mutual funds (Unquoted)</b>					
<b>HDFC Mutual Fund</b>					
HDFC Liquid Fund - Direct Plan - Growth	1,000	-	574.030	-	24.02
HDFC Corporate Bond Fund - Direct Plan - Growth	10	390,996.466	3,90,996.466	107.99	103.54
<b>ICICI Mutual Fund</b>					
ICICI Prudential Banking & PSU Debt Fund - Growth	10	2,067,524.707	20,67,524.707	569.54	540.34
ICICI Prudential Corporate Bond Fund - Growth	10	2,117,912.167	24,35,703.391	528.89	576.19
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	493,524.038	4,93,524.038	128.45	121.34
ICICI Prudential Short Term Fund - Growth Option	10	40,817.002	2,50,792.088	20.62	119.85
ICICI balance Advantage Fund - Growth	10	78,693.356	51,205.961	45.47	25.37

## Notes forming part of the Standalone financial statements

### NOTE 10: INVESTMENTS (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Face Value	Nos		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Kotak Mahindra Mutual Fund</b>					
Kotak Bond Fund Short Term - Growth - Regular Plan	10	15,04,985.518	15,04,985.518	663.94	640.93
<b>Birla Sun Life Mutual Fund</b>					
Birla Sun life floating rate fund - growth - regular plan	10	76,645.066	1,27,134.481	224.53	353.32
Aditya Birla sun life floating rate fund growth direct plan	100	1,75,327.342	-	525.26	-
<b>SBI Mutual fund</b>					
SBI Short Term Debt Fund-Regular Plan-Growth	10	40,77,363.452	40,77,363.452	1,106.21	1,061.98
<b>Franklin Templeton Mutual Fund</b>					
Franklin India Short term Income Plan- Retail Plan-Segregated Portfolio 2 (10.90% Vodafone Idea Ltd 02Sep2023 (P/C 03Sep2021) - Growth Option)	1,000	13,649.982	18,290.977	12.75	-
<b>Invesco Mutual Fund</b>					
Invesco India Ultra Short Term Fund Plan Growth	10	10,022.335	10,022.335	230.95	220.30
Invesco India Short Term Fund - Regular Plan	10	7,725.541	7,725.541	254.42	244.55
<b>HSBC Mutual Fund</b>					
HSBC Corporate Bond Fund - Direct Growth (Formerly L & T Triple Ace Bond Fund - Direct Plan-Growth)	10	2,52,757.312	9,85,570.099	164.44	619.53
HSBC Short Duration Fund - Direct Growth (Formerly L & T Short Term Bond Fund - Direct Plan - Growth)	10	28,97,136.850	28,97,136.850	680.93	655.07
<b>Bandhan Mutual Fund</b>					
Bandhan Banking & PSU Debt Fund - Direct Plan - Growth (Formerly IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	10	19,40,480.415	19,40,480.415	414.35	395.84
Bandhan Bond Fund - Short Term Plan - Growth (Formerly IDFC Bond Fund - Short Term Plan - Growth)	10	-	33,384.349	-	16.36
Bandhan Dynamic bond fund - Growth - regular plan (Formerly IDFC Dynamic Bond fund growth regular)	10	10,77,845.928	-	309.21	-
<b>Edelweiss Mutual Fund</b>					
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	10	18,37,832.906	18,37,832.906	203.46	197.39
				<b>6,191.41</b>	<b>5,915.92</b>
<b>Preference Shares (Unquoted)</b>					
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	-	340	-	49.30
Total - Gross				-	49.30
Less: Allowance for Impairment loss				-	(49.30)
Total - Net				-	-
Total Investments- Gross				19,312.33	17,162.70
Total Impairment				(1,790.21)	(2,115.18)
<b>Total Investments- Net</b>				<b>17,522.12</b>	<b>15,047.52</b>
<b>Aggregate book value of:</b>					
Quoted investments				4,551.90	5,056.62
Unquoted investments				12,192.16	9,331.20
<b>Aggregate market value of:</b>					
Quoted investments				4,364.52	4,840.31
Unquoted investments				6,191.41	5,915.92

- Pursuant to the approval of Scheme of Amalgamation by National Company Law Tribunal - Mumbai Bench vide order dated March 03, 2023 one of the subsidiary Telesmart SCS Limited (Telesmart) is amalgamated with another subsidiary Digisol Systems Limited (Digisol) w.e.f April 01, 2022. The Scheme has become effective on the date of filing with Registrar of Companies which is May 04, 2023. As per the Scheme Digisol will issue 19,59,857 shares (face value of INR 1/-) with share fair valued at INR 8.41. The shares pending allotment as at the year end have been allotted by the Board of Directors of Digisol Systems Limited at its meeting held on May 17, 2023.
- Fixed deposits are pledged against Loan obtained by Digisol Systems Limited (wholly owned subsidiary) (March 31, 2022 INR NIL).
- Investment in Bonds includes accrued interest INR 174.68 lakhs in the current year and INR 210.83 lakhs in the previous year.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 11: INVESTMENT PROPERTY

Particulars	Gross Block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	936.04	-	148.38	787.66	44.82	9.74	-	54.56	733.10	891.22
Building	957.95	-	-	957.95	381.32	29.70	-	411.02	546.93	576.63
<b>Total</b>	<b>1,893.99</b>	<b>-</b>	<b>148.38</b>	<b>1,745.61</b>	<b>426.14</b>	<b>39.44</b>	<b>-</b>	<b>465.58</b>	<b>1,280.03</b>	<b>1,467.85</b>

Particulars	Gross Block				Depreciation				Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2020
Land	787.66	148.38	-	936.04	35.08	9.74	-	44.82	891.22	752.58
Building	904.36	53.59	-	957.95	341.80	29.71	9.81	381.32	576.63	562.56
<b>Total</b>	<b>1,692.02</b>	<b>201.97</b>	<b>-</b>	<b>1,893.99</b>	<b>376.88</b>	<b>39.45</b>	<b>9.81</b>	<b>426.14</b>	<b>1,467.85</b>	<b>1,315.14</b>

Note:

- Asset given on operating lease - gross value - on March 31, 2023 INR 1,745.61 lakhs (March 31, 2022 INR 1,893.99 lakhs), - written down value on March 31, 2023 INR 1,280.03 lakhs (March 31, 2022 INR 1,467.86 lakhs).
- INR 150.17 lakhs (March 31, 2022 INR 55.44 lakhs) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.
- The Board of Directors of the Company at their meeting held on August 04, 2022 had approved the Memorandum of Understanding ("MOU") for sale of land admeasuring 643.9 Sq. Mts. situated at Off C.S.T. Road, Santacruz (E), Mumbai 400098 for a consideration of INR 2,475.00 lakhs. The Company has completed the sale on execution of the sale deed. Consequently, the profit on the sale of INR 2,091.57 lakhs has been recognised and disclosed as exceptional item.

### NOTE 12: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land-Freehold	87.91	-	-	87.91	87.91	-	-	87.91	-	-
Buildings-Own Use	1,377.68	-	-	1,377.68	610.63	33.94	-	644.57	733.11	767.05
Furniture and Fixtures	198.96	7.89	-	206.85	198.19	0.45	-	198.64	8.21	0.77
Vehicles	28.02	111.56	7.31	132.27	22.03	14.66	7.31	29.38	102.89	5.99
Office Equipment	120.29	1.33	-	121.62	119.02	0.70	-	119.72	1.90	1.27
Electrical installations	395.63	-	-	395.63	392.34	1.01	-	393.35	2.28	3.29
Air conditioners	350.05	1.04	-	351.09	335.61	3.06	-	338.67	12.42	14.44
Computers	22.20	-	-	22.20	18.64	1.37	-	20.01	2.19	3.56
Right-of-use assets (Refer note 36)	73.34	-	56.47	16.87	29.32	7.59	32.48	4.43	12.44	44.02
<b>Total</b>	<b>2,654.08</b>	<b>121.82</b>	<b>63.78</b>	<b>2,712.12</b>	<b>1,813.69</b>	<b>62.78</b>	<b>39.79</b>	<b>1,836.68</b>	<b>875.44</b>	<b>840.39</b>

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 12: PROPERTY, PLANT AND EQUIPMENT (Contd.)

Particulars	Gross Block				Depreciation				Net block		
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	
Land-Freehold	236.29	-	148.38	87.91	87.91	-	-	87.91	-	148.38	
Buildings-Own Use	1,431.27	-	53.59	1,377.68	586.50	33.94	9.81	610.63	767.05	844.77	
Furniture and Fixtures	200.01	0.24	1.29	198.96	199.22	0.26	1.29	198.19	0.77	0.79	
Vehicles	28.02	-	-	28.02	17.67	4.36	-	22.03	5.99	10.35	
Office Equipment	119.86	0.43	-	120.29	118.69	0.33	-	119.02	1.27	1.17	
Electrical installations	395.63	-	-	395.63	391.59	0.75	-	392.34	3.29	4.04	
Air conditioners	349.51	0.54	-	350.05	330.59	5.02	-	335.61	14.44	18.92	
Computers	18.09	4.11	-	22.20	18.09	0.55	-	18.64	3.56	-	
Right-of-use assets (Refer note 36)	73.34	-	-	73.34	10.32	19.00	-	29.32	44.02	63.02	
<b>Total</b>	<b>2,852.02</b>	<b>5.32</b>	<b>203.26</b>	<b>2,654.08</b>	<b>1,760.58</b>	<b>64.21</b>	<b>11.10</b>	<b>1,813.69</b>	<b>840.39</b>	<b>1,091.44</b>	

Note:-

- All title deeds of immovable properties are held in the name of company.
- The Company has not revalued any of its property, plant and equipments during the years ended March 31, 2023 and March 31, 2022.

### NOTE 13: INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net block		
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	
Computer Software	95.96	-	-	95.96	95.96	-	-	95.96	-	-	
<b>Total</b>	<b>95.96</b>	<b>-</b>	<b>-</b>	<b>95.96</b>	<b>95.96</b>	<b>-</b>	<b>-</b>	<b>95.96</b>	<b>-</b>	<b>-</b>	

Particulars	Gross Block				Depreciation				Net block		
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	
Computer Software	95.96	-	-	95.96	91.31	4.65	-	95.96	-	4.65	
<b>Total</b>	<b>95.96</b>	<b>-</b>	<b>-</b>	<b>95.96</b>	<b>91.31</b>	<b>4.65</b>	<b>-</b>	<b>95.96</b>	<b>-</b>	<b>4.65</b>	

Note:

- The Company has not revalued any of its intangible assets during the years ended March 31, 2023 and March 31, 2022.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 14: OTHER NON FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	6.61	10.90
Surplus in Gratuity fund (funded) (Refer note 35)	12.50	5.17
Advance to vendor	7.33	7.93
Balance with government authorities	51.17	40.85
<b>Total</b>	<b>77.61</b>	<b>64.85</b>

### NOTE 15: TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	115.64	44.44
<b>Total</b>	<b>115.64</b>	<b>44.44</b>

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Others (undisputed)		
Unbilled Dues	20.84	23.22
Payable Not Due	-	-
Less than 1 year	92.11	20.59
1-2 years	2.69	0.29
2-3 years	-	0.31
More than 3 years	-	0.03
<b>Total</b>	<b>115.64</b>	<b>44.44</b>

### NOTE 16: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Borrowing measured at amortised cost</b>		
Unsecured		
Lease liabilities	147.31	180.22
<b>Total</b>	<b>147.31</b>	<b>180.22</b>

### NOTE 17: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits	20.17	4.37
Employee Payable	33.97	33.96
Unpaid dividend*	1.84	4.14
Financial Guarantee Obligation	12.71	2.38
Asset Retirement Obligation	8.58	7.92
<b>Total</b>	<b>77.27</b>	<b>52.77</b>

\* During the year Rs 1.42 lakhs (March 31, 2022 Rs 1.43 lakhs) was transferred to the Investor Education and Protection Fund.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 18: PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment (unfunded)	5.07	5.35
<b>Total</b>	<b>5.07</b>	<b>5.35</b>

### NOTE 19: OTHER NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	4.14	3.35
Rent received in advance	6.34	0.45
<b>Total</b>	<b>10.48</b>	<b>3.80</b>

### NOTE 20: EQUITY SHARE CAPITAL

The Company has only one class of equity share capital having a par value of INR 2/- per share, referred to herein as equity shares.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized</b>		
3,50,00,000 Equity Shares of INR 2/- each	700.00	700.00
	700.00	700.00
<b>Issued, Subscribed and paid up</b>		
99,75,000 Equity Shares of INR 2/- each, fully paid-up	199.50	266.00
Less: NIL (Previous Year:33,25,000) Equity Shares purchased under Buy-back scheme	-	66.50
<b>Total</b>	<b>199.50</b>	<b>199.50</b>

#### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	99,75,000	1,33,00,000
Add: Issued during the year	-	-
Less: Buyback during the year	-	(33,25,000)
<b>Outstanding at the end of the year</b>	<b>99,75,000</b>	<b>99,75,000</b>

The Board of Directors of the Company at its meeting held on December 04, 2020 and the Shareholders of the Company through postal ballot on 10th February, 2021 had approved the proposal of the Company to buy-back upto 33,25,000 fully paid-up equity shares of INR 2/- each at a price of INR 95/- per share (aggregating to 17.43% of the fully paid-up Equity Share Capital and Free Reserves of the Company), payable in cash for an aggregate amount not exceeding INR 31,58,75,000/- from the existing shareholders of the Company under Tender Offer Mechanism. The offer was kept open from April 30, 2021 to May 14, 2021. The Company had bought back 33,25,000 Equity Shares and the shares were extinguished on May 27, 2021.

#### (b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of INR 2/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of company, the equity shareholders are entitled to receive the remaining assets of the company after distributions of all preferential amounts, in proportion to their shareholding.

#### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	4,800,163	48.12%	4,674,160	46.86%
Ms. Arati K. Naik	934,833	9.37%	934,833	9.37%
Mrs. Lakshana A. Sharma	794,608	7.97%	794,608	7.97%
Mrs. Sudha K. Naik	467,417	4.69%	467,417	4.69%

## Notes forming part of the Standalone financial statements

### NOTE 20: EQUITY SHARE CAPITAL (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

(d) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	No of shares bought - back during the year	No of shares outstanding
31.03.2023	-	9,975,000
31.03.2022	3,325,000	9,975,000
31.03.2021	-	13,300,000
31.03.2020	3,650,000	13,300,000
31.03.2019	5,600,000	16,950,000

(e) As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Details of Shares held by Promoters at the end of the year

Promoter Name	As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year
Mr. Kamalaksha R. Naik	48,00,163	48.12%	2.70%
Ms. Arati K. Naik	9,34,833	9.37%	-
Mrs. Lakshana A. Sharma	7,94,608	7.97%	-
Mrs. Sudha K. Naik	4,67,417	4.69%	-
Mr. Amit Virendra Sharma	17,891	0.18%	100%
K R Naik HUF	1,00,493	1.01%	-
<b>Total</b>	<b>71,15,405</b>	<b>71.34%</b>	

Promoter Name	As at March 31, 2022		
	No. of Shares	% of total shares	% Change during the year
Mr. Kamalaksha R. Naik	46,74,160	46.86%	29.71%
Ms. Arati K. Naik	9,34,833	9.37%	29.71%
Mrs. Lakshana A. Sharma	7,94,608	7.97%	29.71%
Mrs. Sudha K. Naik	4,67,417	4.69%	29.71%
K R Naik HUF	1,00,493	1.01%	29.71%
<b>Total</b>	<b>69,71,511</b>	<b>69.90%</b>	

### NOTE 21: OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	5,567.20	5,567.20
Surplus in Statement of Profit and Loss account	12,566.18	11,146.92
Statutory Reserve	1,254.32	899.50
Capital Contribution	92.95	92.95
Capital Redemption Reserve	400.60	400.60
FVTOCI Reserve on Financial Instruments	-	2.27
FVTOCI Reserve on defined benefit plans	4.02	0.57
<b>Total</b>	<b>19,885.27</b>	<b>18,110.01</b>

## Notes forming part of the Standalone financial statements

### NOTE 21: OTHER EQUITY (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

#### (A) General Reserve (GR)\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	5,567.20	5,567.20
Add: Transfer from Surplus in Profit and Loss account	-	-
<b>Closing balance</b>	<b>5,567.20</b>	<b>5,567.20</b>

\* General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013

#### (B) Surplus / (deficit) in the Statement of Profit and Loss \*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	11,146.92	12,693.96
Add : Net profit / (loss) for the year	1,774.08	2,895.35
Amount available for appropriations	12,921.00	15,589.31
Less : Appropriations		
Less: Transferred to Statutory Reserve	(354.82)	(579.07)
Less: Paid to Shareholders for purchase of shares under buyback scheme	-	(3,158.75)
Less: Buyback Tax	-	(704.57)
<b>Closing balance</b>	<b>12,566.18</b>	<b>11,146.92</b>

\* This represents the cumulative profits of the Company. It will be utilized in accordance with the provisions of the Companies Act, 2013

#### (C) Statutory Reserve (As per section 45 IC of the Reserve Bank of India Act 1934)\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	899.50	320.43
Add: Transfer from surplus in statement of profit and loss account	354.82	579.07
<b>Closing balance</b>	<b>1,254.32</b>	<b>899.50</b>

\*This represents provision created under section 45-IC of the Reserve Bank of India Act, 1934. It will be utilized in accordance with the provisions of the Reserve Bank of India Act, 1934.

#### (D) Capital Contribution\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	92.95	92.95
Add / (less): Change during the year	-	-
<b>Closing balance</b>	<b>92.95</b>	<b>92.95</b>

\* Represents impact of interest on loan to subsidiaries by promoters at lower than market rate of interest.

#### (E) Capital Redemption Reserve\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	400.60	334.10
Add: NIL Equity Shares (March 31, 2022 33,25,000) of INR 2/- each purchased under buyback scheme	-	66.50
<b>Closing balance</b>	<b>400.60</b>	<b>400.60</b>

\*This is on account of transfer towards buyback of equity shares. It will be utilized in accordance with the provisions of the Companies Act, 2013.



## Notes forming part of the Standalone financial statements

### NOTE 21: OTHER EQUITY (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

#### (F) FVTOCI Reserve on financial instruments\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2.27	2.27
Add / (less): Change during the year	(2.27)	-
<b>Closing balance</b>	<b>-</b>	<b>2.27</b>

\* Represents changes in the fair value of certain investments in debt securities. These changes are accumulated within the FVTOCI reserve within equity. The Company transfers amounts from this reserve to Surplus in the Statement of Profit and Loss when the relevant debt securities are derecognised.

#### (G) FVTOCI Reserve on defined benefit plans\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.57	2.89
Add / (less): Change during the year	3.45	(2.32)
<b>Closing balance</b>	<b>4.02</b>	<b>0.57</b>

\* Represents remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liability are recognised in the other comprehensive income instead of profit and loss.

### NOTE 22: INTEREST INCOME

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>On financial assets measured at FVTOCI</b>		
Interest on preference shares	2.53	4.78
	2.53	4.78
<b>On financial assets measured at amortised cost</b>		
Interest on bonds	349.68	412.24
Interest on deposits with banks	37.18	42.88
Interest on deposits with financial institutions	38.34	6.24
Other interest income	0.24	0.60
	425.44	461.96
<b>Total</b>	<b>427.97</b>	<b>466.74</b>

### NOTE 23: FEES AND COMMISSION INCOME

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Guarantee Commission Income	12.24	9.62
<b>Total</b>	<b>12.24</b>	<b>9.62</b>

### NOTE 24: NET GAIN ON FAIR VALUE CHANGES\*

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On financial instruments designated at fair value through profit or loss	317.78	342.48
<b>Total</b>	<b>317.78</b>	<b>342.48</b>
Fair Value changes:		
- Realised	199.44	686.28
- Unrealised	118.34	(343.80)

\*Fair value changes in this schedule are other than those arising on account of interest income/expense.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 25: OTHER INCOME

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gain on derecognition of RoU assets	2.72	-
Interest on income tax refund	0.44	-
Profit on Property, plant and equipment sold / written off (net)	3.57	0.46
Sale of Scrap	-	0.85
Foreign Exchange gain - (net)	0.01	0.01
Reversal of impairment on financial instruments (refer foot note)	143.95	2,818.32
<b>Total</b>	<b>150.69</b>	<b>2,819.64</b>

Footnote :-

Current year reversal of INR 143.95 lakhs pertain to impairment on financial instruments pursuant to the approval of scheme of amalgamation of subsidiary Company (refer foot note 1 in note 10).

During the previous year, the company has reversed impairment of INR 2,818.32 lakhs of its investment in subsidiary Digisol Systems Limited.

### NOTE 26: FINANCE COSTS

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On Financial liabilities measured at Amortised Cost		
Interest on deposits	1.13	0.29
Interest on borrowings	12.59	15.04
Other interest expense	2.97	1.37
<b>Total</b>	<b>16.69</b>	<b>16.70</b>

### NOTE 27: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>On Financial instruments measured at FVTOCI</b>		
Investment in Preference Shares (interest)	0.26	4.78
<b>Total</b>	<b>0.26</b>	<b>4.78</b>

### NOTE 28: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and wages	264.97	257.54
Contribution to provident and other funds (Refer Note 35)	6.81	7.12
Gratuity expenses (Refer Note 35)	1.79	1.32
Staff welfare expenses	12.34	10.50
<b>Total</b>	<b>285.91</b>	<b>276.48</b>

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 29: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment (refer note 12)	62.78	64.21
Amortization on Intangible Assets (refer note 13)	-	4.65
Depreciation on Investment Property (refer note 11)	39.44	39.45
<b>Total</b>	<b>102.22</b>	<b>108.31</b>

### NOTE 30: OTHER EXPENSES

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Rent, rate and taxes	29.63	20.70
Repairs and maintenance	222.29	52.13
Communication expenses	6.27	8.00
Printing and stationery expenses	1.90	0.58
Advertisement expenses	12.18	13.42
Director's fees	22.45	14.17
Auditor's fees and expenses (Refer footnote)	15.28	15.22
Legal and professional charges	79.07	81.60
Insurance	7.98	11.84
Annual maintenance expense	12.54	11.80
Software connectivity license/maintenance expenses	42.67	24.98
Travelling and conveyance expenses	29.76	19.70
Power and fuel expenses	89.18	69.93
Membership and subscription fees	0.40	0.14
Sundry balance written off (net)	8.18	-
Bad Debts Written Off	58.16	-
Office Expenses	13.54	11.51
Application, registration & filing Fees	0.72	0.61
Expenditure on corporate social responsibility (Refer Note 57)	7.65	12.89
Miscellaneous expenses	19.02	15.90
Bank charges	0.26	0.06
<b>Total</b>	<b>679.13</b>	<b>385.18</b>

#### Notes:

#### 1 Payment to Auditors

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Charged to Auditor's fees and Expenses:</b>		
Statutory audit fees including GST expensed	14.17	14.17
Reimbursement of expenses including GST expensed	0.24	0.40
	14.41	14.57
Other certification fees including GST expensed	0.87	0.65
<b>Total</b>	<b>15.28</b>	<b>15.22</b>

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 31: INCOME TAX EXPENSE

#### (A) Deferred tax relates to the following:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Deferred tax assets</b>		
On account of timing difference in retiral and other employee benefits	1.28	1.35
On account of fair value of financial assets designated at FVTOCI	-	12.41
Provision for doubtful debts / advances	-	2.01
On disallowance u/s 40a of Income Tax Act, 1961	1.03	1.14
	<b>2.31</b>	<b>16.91</b>
<b>Deferred tax liabilities</b>		
On property, plant and equipment	161.89	155.10
On account of fair value of financial assets designated at FVTPL	206.12	173.07
	<b>368.01</b>	<b>328.17</b>
<b>Deferred tax liability (Net)</b>	<b>365.70</b>	<b>311.26</b>

#### (B) Reconciliation of deferred tax assets/ (liabilities) (net)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening balance as of April 01	(311.26)	(385.15)
Tax assets / (liabilities) recognized in statement of profit and loss	(53.29)	73.11
Tax assets / (liabilities) recognized in OCI	-	-
- On re-measurements gain of post-employment benefit obligations	(1.16)	0.78
<b>Closing balance as at March 31</b>	<b>(365.70)</b>	<b>(311.26)</b>

#### (C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Tax liability	53.29	-
Tax asset	-	73.11
<b>Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss</b>	<b>53.29</b>	<b>73.11</b>

#### (D) Income tax expense reported in the statement of profit or loss

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
- Current tax	334.89	108.42
- Deferred tax charge / (income)	53.29	(73.11)
- Adjustments in respect of current income tax of previous year	(49.72)	6.90
<b>Income tax expense reported in the statement of profit or loss</b>	<b>338.46</b>	<b>42.21</b>

#### (E) Income tax expense charged / (credit) to OCI

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Net fair value (gain)/loss on debt securities	-	-
Net loss/(gain) on remeasurements of defined benefit plans	1.16	(0.78)
<b>Income tax expense charged / (credit) to OCI</b>	<b>1.16</b>	<b>(0.78)</b>

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 31: INCOME TAX EXPENSE (CONTD.)

#### (F) Reconciliation of tax charge

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit before tax	2,112.54	2,937.56
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	531.68	739.33
Tax effects of:		
- Item not deductible for tax	-	(704.02)
- CSR expenditure not allowed for tax purpose	1.92	-
- Leasehold land amortisation not claimed in Income tax	2.02	-
- Others	(53.38)	-
Effect due to tax paid on exceptional item at a lower rate (net of business loss)	(94.06)	-
Earlier year adjustment	(49.72)	6.90
<b>Income tax expense</b>	<b>338.46</b>	<b>42.21</b>

### NOTE 32: EARNINGS/ LOSS PER SHARE

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Ordinary equity shareholders</b>		
Profit/ (Loss) attributable to ordinary equity holders	1,774.08	2,895.35
Weighted average number of equity shares	99.75	104.94
Face Value per share	2	2
Basic earnings per share (INR)	17.79	27.59
Diluted earnings per share (INR)	17.79	27.59

### NOTE 33: CONTINGENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Bank guarantees given in favour of Electricity Department - Government of Goa	71.61	71.61
Corporate guarantees given in favour of banks on behalf of Digisol Systems Limited (Wholly owned subsidiary)		
HDFC Bank Limited	3,000.00	2,000.00
Bajaj Finance Limited	2,000.00	-
Corporate guarantees given in favour of banks on behalf of Synegra EMS Limited (Wholly owned subsidiary)		
HDFC Bank Limited	1,300.00	1,300.00
Small Industries Development Bank Of India	270.00	-
<b>Total</b>	<b>6,641.61</b>	<b>3,371.61</b>

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 34: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account	-	275.04
Non-cancellation lease liabilities undiscounted basis net of liability recognised (Refer Note 36)	719.95	734.22

### NOTE 35: EMPLOYEE BENEFITS

#### (A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer's Contribution to Provident Fund and Pension Fund	4.43	4.72
Employer's contribution to National Pension Scheme	1.94	1.76
Employer's contribution to Employee State Insurance Scheme	0.44	0.64
<b>Total</b>	<b>6.81</b>	<b>7.12</b>

#### (B) Defined benefit plans

##### a) Gratuity payable to employees

The Company has a defined benefit gratuity plan and governed by payment of Gratuity Act, 1972. Every employee who has completed five years or more of services is entitled to a gratuity on departure at 15 days of last drawn salary for each completed year of services. The scheme is funded through a policy with LIC.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)	7.20%	7.27%
Rate of increase in Salary	6.00%	5.00%
Expected average remaining working lives of employees (years)	13.07	12.77
Attrition rate	PS: 0 to 5 : 5% PS: 5 to 40 : 0%	PS: 0 to 5 : 9% PS: 5 to 40 : 0%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
<b>ii) Changes in the present value of defined benefit obligation</b>		
<b>Present value of obligation at the beginning of the year</b>	24.82	23.71
Interest cost	1.82	1.49
Current service cost	2.17	2.03
Benefits paid	-	(5.14)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	0.31	(1.20)
Actuarial (gain)/ loss on obligations - Due to experience	(4.71)	3.93
<b>Present value of obligation at the end of the year</b>	<b>24.41</b>	<b>24.82</b>
<b>iii) Change in the fair value of plan assets:</b>		
Opening fair value of plan assets	29.99	33.29
Adjustment to Opening Fair Value of Plan Asset	-	0.01
Interest Income	2.20	2.20
Contributions by employer	4.50	-
Benefits paid	-	(5.14)
Return on plan assets excluding interest income	0.22	(0.37)
<b>Closing fair value of plan assets</b>	<b>36.91</b>	<b>29.99</b>

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 35: EMPLOYEE BENEFITS (CONTD.)

a) Gratuity payable to employees (contd.)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>iv) Expense recognized in the Statement of Profit and Loss</b>		
Current service cost	2.17	2.03
Past service cost	-	-
Interest cost (net)	(0.38)	(0.71)
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>1.79</b>	<b>1.32</b>

\*Included in Employee benefits expense (Refer Note 28).

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>v) Expense recognized in Other comprehensive income</b>		
Actuarial (gain) / loss on Obligation for the period	(4.40)	2.73
Return on plan assets excluding interest income	(0.22)	0.37
<b>Net actuarial (gains) / losses recognised in OCI</b>	<b>(4.62)</b>	<b>3.10</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>vi) Assets and liabilities recognized in the Balance Sheet:</b>		
Present value of obligation as at the end of the year	24.41	24.82
Fair Value of Plan Assets at the end of the year	36.91	29.99
<b>Net asset / (liability) recognized in Balance Sheet*</b>	<b>12.50</b>	<b>5.17</b>

\*Included in Other Non Financial Assets (Refer note 14)

vii) Expected contribution to the fund in the next year INR 2.18 lakhs

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

Impact on Present Value obligation	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	+1%	-1%	+1%	-1%
Change in discount rate	22.27	26.87	22.93	27.00
Change in salary escalation rate	26.86	22.23	27.02	22.88

ix) Maturity profile of defined benefit obligation

Years	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Year 1	0.13	0.14
Year 2	0.13	0.17
Year 3	0.15	0.18
Year 4	0.20	0.22
Year 5	2.05	8.98
Year 6 to 10	20.39	18.31

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 35: EMPLOYEE BENEFITS (CONTD.)

#### b) Leave encashment

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Actuarial assumptions</b>		
Discount rate (per annum)	7.20%	7.27%
Rate of increase in Salary	6.00%	5.00%
Expected average remaining working lives of employees (years)	13.07	12.77
Attrition rate	PS: 0 to 5 : 5% PS: 5 to 40 : 0%	PS: 0 to 5 : 9% PS: 5 to 40 : 0%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult

### NOTE 36: LEASES

#### (A) Operating leases where Company is a lessee:

When the intermediate lessor enters into the sublease which is classified as Operating lease, It retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position. During the term of the sublease, the intermediate lessor: Recognises a depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sublease. Further Ind AS 116 requires inclusion of variable lease payments based on Index or a rate.

Variable lease payments based on an index or a rate: Variable lease payments based on an index or a rate (for example, linked to a consumer price index, a benchmark interest rate or a market rental rate) are part of the lease liability. From the perspective of the lessee, these payments are unavoidable, because any uncertainty relates only to the measurement of the liability but not to its existence. Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date (instead of forward rates/indices). This means that an entity does not forecast future changes of the index/rate; these changes are taken into account at the point in time in which lease payments change. However, based on management's estimates that lease payment increases 10% after a period of a period of three years. Therefore, based on management judgement, estimates and conservative approach it is estimated, lease liability has been calculated based on these estimated cash flows.

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2023:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
<b>Balance as on April 01, 2021</b>	61.34	1.68	63.02
Additions	-	-	-
Deletion	-	-	-
Depreciation	18.37	0.63	19.00
<b>Balance as on March 31, 2022</b>	<b>42.97</b>	<b>1.05</b>	<b>44.02</b>
Additions	-	-	-
Deletion	23.18	0.81	23.99
Depreciation	7.35	0.24	7.59
<b>Balance as on March 31, 2023</b>	<b>12.44</b>	<b>-</b>	<b>12.44</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.



## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 36: LEASES (CONTD.)

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	Amount
<b>Balance as on April 01, 2021</b>	<b>196.64</b>
Additions	-
Deletion	-
Finance cost accrued during the period	15.04
Payment of lease liabilities	(31.46)
<b>Balance as on March 31, 2022</b>	<b>180.22</b>

Particulars	Amount
<b>Balance as on April 01, 2022</b>	<b>180.22</b>
Additions	-
Deletion	(25.86)
Finance cost accrued during the period	12.59
Payment of lease liabilities	(19.64)
<b>Balance as on March 31, 2023</b>	<b>147.32</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	11.59	32.45
One to five years	57.93	72.30
More than five years	797.75	809.69
<b>Total</b>	<b>867.27</b>	<b>914.44</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease rentals paid on short term leases for current year INR 2.16 lakhs (previous year INR NIL)

#### (B) Operating leases where Company as a lessor:

The Company has entered into cancellable operating leases on its investment property portfolio consisting of certain office and manufacturing buildings. These leases have terms of between 11 months to 60 months. Certain leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The total rental income on assets given on operating leases amounts to INR 196.50 lakhs for the year ended March 31, 2023 (March 31, 2022 INR 90.53 lakhs).

Future minimum rentals receivables under operating leases as at March 31 are, as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	213.56	131.25
After one year but not more than five years	701.20	246.31

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 37: RELATED PARTY DISCLOSURES:

#### (A) Names of related parties and description of relationship as identified and certified by the Company:

##### Subsidiary Companies

Digisol Systems Limited

Synegra EMS Limited

Telesmart SCS Limited (Merged with Digisol Systems Limited w.e.f April 01, 2022)

##### Enterprise over which key management person is able to exercise significant influence.

Mr. Kamalaksha R. Naik (HUF)

##### Key Management Personnel (KMP)

Mr. Kamalaksha R. Naik - Executive Chairman

Mr. Krishnanand M. Gaonkar - Non Executive Independent Director

Mr. Bhanubhai R. Patel - Non Executive Independent Director

Mr. Pankaj M. Baliga - Non Executive Independent Director

Mr. Pradeep A. Rane - Non Executive Independent Director

Mr. Pradeep G. Pande - Non Executive Independent Director (retired w.e.f January 04, 2022)

Ms. Arati K. Naik - Executive Director

Mr. K. G. Prabhu - Chief Financial Officer

Ms. Urjita Damle - Company Secretary

##### Relatives of key management personnel:

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Mrs. Lakshana A. Sharma

#### (B) Details of transactions with related party in the ordinary course of business for the year ended:

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Subsidiary	Enterprise over which key management person is able to exercise significant influence.	Key Management Personnel/ Relative of Key management personnel	Subsidiary	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personnel
<b>Rent Income</b>						
Digisol Systems Limited	71.42	-	-	52.80	-	-
Synegra EMS Limited	55.75	-	-	-	-	-
<b>Rent Expense</b>						
Digisol Systems Limited	2.16	-	-	-	-	-
<b>Rent Written off</b>						
Digisol Systems Limited	32.72	-	-	-	-	-
Synegra EMS Limited	25.44	-	-	-	-	-
<b>Purchase of Networking Products</b>						
Digisol Systems Limited	0.07	-	-	1.07	-	-
<b>Charged towards CSR expenses</b>						
Digisol Systems Limited	-	-	-	1.03	-	-
<b>Investment in Subsidiary</b>						
Synegra EMS Limited	1,000.00	-	-	1,050.00	-	-

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Subsidiary	Enterprise over which key management person is able to exercise significant influence.	Key Management Personnel/ Relative of Key management personnel	Subsidiary	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personnel
<b>Managerial Remuneration</b>						
<b>Mr. K. G. Prabhu</b>						
Short-term employee benefits	-	-	56.18	-	-	35.87
Post-employment benefits	-	-	0.22	-	-	0.22
<b>Ms. Urjita Damle</b>						
Short-term employee benefits	-	-	16.28	-	-	13.59
Post-employment benefits	-	-	0.22	-	-	0.22
<b>Director Sitting Fees</b>						
Mr. Krishnand M. Gaonkar	-	-	5.55	-	-	2.50
Mr. Pankaj M. Baliga	-	-	6.05	-	-	3.00
Mr. Pradeep A. Rane	-	-	3.50	-	-	2.50
Mr. Bhanubhai R. Patel	-	-	5.50	-	-	3.00
Mr. Pradeep G. Pande	-	-	-	-	-	2.00
<b>Consideration paid for Buyback of Shares</b>						
Mr. Kamalaksha R. Naik	-	-	-	-	-	1,877.05
Mr. Kamalaksha R. Naik (HUF)	-	-	-	-	40.36	-
Ms. Aarti K. Naik	-	-	-	-	-	375.41
Mrs. Sudha K. Naik	-	-	-	-	-	187.70
Mrs. Lakshana A. Sharma	-	-	-	-	-	319.10
<b>Bank Guarantee given during the year on behalf of</b>						
Digisol Systems Limited	5,000.00	-	-	2,000.00	-	-
Synegra EMS Limited	1,570.00	-	-	1,300.00	-	-
<b>Bank Guarantee revoked during the year</b>						
Digisol Systems Limited	2,000.00	-	-	2,000.00	-	-
Synegra EMS Limited	1,300.00	-	-	-	-	-

### Balances due from and due to related parties

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Amount due from related party as on:</b>		
<b>Subsidiary Companies:</b>		
Digisol Systems Limited	16.98	14.26
Synegra EMS Limited	30.11	25.44
Telesmart SCS Limited	-	32.72
<b>Amount of Corporate Guarantee given and outstanding as on:</b>		
<b>Subsidiary Companies:</b>		
Digisol Systems Limited	5,000.00	2,000.00
Synegra EMS Limited	1,570.00	1,300.00

### Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 38: SEGMENT REPORTING

The Executive-Chairman of the Company acts as the chief operating decision maker (CODM) of the Company in accordance with Operating Segment (Ind AS 108), for purpose of assessing the financial performance and position of the Company, and make strategic decisions. The Company's business activities are mainly related to Investments and Real Estate, which are primarily assessed as a single reportable operating segment in accordance with Ind AS 108 by the CODM.

### NOTE 39: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash, bank balances, short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and other financial liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.
2. The fair value of non-current financial assets comprising of term deposits at amortised cost using Effective Interest Rate (EIR) are not significantly different from the carrying amount.
3. The fair value of Lease liabilities are calculated based on cash flows discounted using a current lending rate. They are classified at level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

### NOTE 40: FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of Mutual funds and FVOCI bonds and preference shares are based on published net assets values or other observable market data. They are classified at level 2 in the fair value hierarchy.
- Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Fair value measurement hierarchy of assets and liabilities

Particulars	Fair value hierarchy	As at March 31, 2023	As at March 31, 2022
<b>Financial assets measured at amortized cost</b>			
Investments in Debt securities	Level 3	4,551.90	5,056.62
Fixed Deposits	Level 3	1,537.31	-
Security Deposits	Level 3	7.93	23.93
<b>Financial assets measured at fair value</b>			
(a) Financial assets measured at fair value through profit or loss	Level 2	6,191.41	5,915.92
Investments in mutual funds			
(b) Trade receivables	Level 2	55.36	75.38
(c) Financial assets measured at fair value through other comprehensive income	Level 2	-	49.30
Investments in Debt securities			
<b>Financial liabilities measured at amortized cost</b>			
Security Deposits	Level 3	20.17	4.37
Lease Liabilities	Level 3	147.31	180.22
Financial guarantee obligation	Level 3	12.71	2.38
Asset retirement obligation	Level 3	8.58	7.92

There have been no transfers between Level 1 and Level 2 during the period

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 41: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and price risk.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Company's position with regards to interest income, treasury team manages the interest rate risk by diversifying its portfolio across tenures. The Company does not have exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are with fixed interest rates.

##### (ii) Price risk

The Company's exposure to securities risk arises from investments held by the Company and classified in the Balance Sheet as fair value through OCI.

#### (B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily arises from cash equivalents, trade receivables, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss or other comprehensive income. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

For other financial assets and investments, the Company has an investment policy which allows the Company to invest only with counterparties having a good credit rating. The Company reviews the credit worthiness of these counterparties on an on-going basis. Counterparty limits may be updated as and when required subject to approval of Board of Directors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts as mentioned in Note 5, 6, 7, 8 and 10.

#### (C) Liquidity risk

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

### NOTE 42:

The Company has not given Loans or Advances in the nature of loans to Promoters, Directors, Key Management Personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

### NOTE 43: CAPITAL-WORK-IN PROGRESS (CWIP)

#### (a) For Capital-work-in progress ageing schedule

31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	215.70	-	215.70

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 44: INTANGIBLE ASSETS UNDER DEVELOPMENT

The Company does not have any Intangible assets under development during the current year and the previous year.

### NOTE 45: DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

### NOTE 46: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

The Company has not availed any overdraft facility / loan during the current year and the previous year.

### NOTE 47: WILFUL DEFAULTER

The Company has not been declared a wilful defaulter by any bank or financial Institution.

### NOTE 48: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956.

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### NOTE 49: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

### NOTE 50: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

### NOTE 51: UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### NOTE 52:

The Company is a Non Banking Financial Company - Non-Systemically Important Non-Deposit taking Company as per the Reserve Bank of India circular RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17. Thus, the following analytical ratios are not applicable to the Company.

1. Capital to risk-weighted assets ratio (CRAR)
2. Tier I CRAR
3. Tier II CRAR
4. Liquidity Coverage Ratio.

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 53: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

A The below table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	35.51	-	35.51	31.10	-	31.10
Bank Balance other than Cash and cash equivalents	1.84	801.74	803.58	4.14	1,078.44	1,082.58
Investments	6,701.38	10,820.74	17,522.12	5,915.91	9,131.61	15,047.52
Receivables- Other Receivables	55.36	-	55.36	75.38	-	75.38
Other financial assets	1.45	7.93	9.38	1.30	23.93	25.23
<b>Non Financial Assets</b>						
Tax assets (Net)	-	147.21	147.21	-	56.75	56.75
Investment Property	-	1,280.03	1,280.03	-	1,467.85	1,467.85
Property, Plant and Equipment	-	875.44	875.44	-	840.39	840.39
Capital work-in-progress	-	-	-	-	215.70	215.70
Intangible assets	-	-	-	-	-	-
Other non-financial assets	65.11	12.50	77.61	59.68	5.17	64.85
<b>Total Assets</b>	<b>6,860.65</b>	<b>13,945.59</b>	<b>20,806.24</b>	<b>6,087.51</b>	<b>12,819.84</b>	<b>18,907.35</b>
<b>Financial liabilities</b>						
Trade Payables	115.64	-	115.64	44.44	-	44.44
Borrowings (Other than debt securities)	0.03	147.28	147.31	18.82	161.40	180.22
Other financial liabilities	48.52	28.75	77.27	44.85	7.92	52.77
<b>Non financial liabilities</b>						
Provisions	1.09	3.98	5.07	4.10	1.25	5.35
Deferred tax liabilities (Net)	-	365.70	365.70	-	311.26	311.26
Other non-financial liabilities	5.70	4.78	10.48	3.80	-	3.80
<b>Total Liabilities</b>	<b>170.98</b>	<b>550.49</b>	<b>721.47</b>	<b>116.01</b>	<b>481.83</b>	<b>597.84</b>
<b>Net</b>	<b>6,689.67</b>	<b>13,395.10</b>	<b>20,084.77</b>	<b>5,971.50</b>	<b>12,338.01</b>	<b>18,309.51</b>

### B Public Disclosure on liquidity risk

#### (i) Funding concentration based on significant counterparty (both deposits and borrowings)

Number of significant counterparties	Amount	% of total deposits	% of total liabilities
Not Applicable			

#### (ii) Top 20 large deposits (% of total deposits)

Not Applicable

#### (iii) Top 10 borrowings (% of total borrowings)

Not Applicable

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### (iv) Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument/ product	Amount (INR crore)	% of total liabilities
Not Applicable			

### (v) Stock Ratios:

- (a) Commercial papers as a % of total public funds, total liabilities and total assets  
Not Applicable
- (b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets  
Not Applicable
- (c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Particulars	As at March 31, 2023	As at March 31, 2022
Short term liabilities as a % of total public funds	-	-
Short term liabilities as a % of total Liabilities	23.70%	19.40%
Short term liabilities as a % of total Assets	0.82%	0.61%

### (vi) Institutional set-up for liquidity risk management

Not Applicable

### NOTE 54: UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### NOTE 55: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### NOTE 56: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – (Non Public Deposit Accepting) with Reserve Bank of India (RBI).

The Company does not have any borrowings in the nature of loans and advances from Banks, financial institutions and others and is cash surplus. The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with investment policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Objective of investment policy is to provide safety and adequate return on the surplus funds.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

### NOTE 57:

As per provisions of section 135 of Companies Act 2013, the Company was required to spend INR 7.40 lakhs (March 31, 2022: INR 13.76 lakhs) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent INR 7.89 lakhs (including excess of earlier year) (March 31, 2022: INR 14.00 lakhs) towards Corporate Social Responsibility activities as under:

A.	Particulars	As at March 31, 2023	As at March 31, 2022
	Gross Amount required to be spent as per Section 135 of the Act	7.40	13.76
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	7.40	13.76
B.	Amount approved by the Board to be spent during the year	7.65	16.35



## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### C. Amount spent during the year on

(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	7.65	12.89

### D. Details related to amount spent

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(i) Construction / acquisition of any asset</b>	-	-
<b>(ii) On purpose other than (i) above</b>		
- Installation of Networking products in various schools	-	2.50
- Prime Minister's National Relief Fund	-	1.51
- Promoting healthcare	-	0.57
- Contribution to Foundations / Trusts	-	-
- Education purpose	7.65	8.31
<b>Total</b>	<b>7.65</b>	<b>12.89</b>

### E. Details of excess CSR expenditure

Nature of Activity	Balance excess as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2023
- On purpose other than Construction / acquisition of any asset	(0.24)	7.40	7.65	(0.49)

Nature of Activity	Balance excess as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2022
- On purpose other than Construction / acquisition of any asset	(1.11)	13.76	12.89	(0.24)

### F. Disclosures on Shortfall

Particulars	March 31, 2023	March 31, 2022
Amount Required to be spent by the Company during the year	7.40	13.76
Actual Amount Spent by the Company during the year	7.65	12.89
PY Excess adjusted during the CY	0.24	1.11
Shortfall/(Excess) at the end of the year	(0.49)	(0.24)
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	-	-

#### NOTE 58:

Disclosure requirement as per regulation 34(3) of SEBI LODR Rules, 2015

Particulars	As at March 31, 2023	As at March 31, 2022
Loans and advances in the nature of loans to subsidiaries by name and amount.	-	-
Loans and advances in the nature of loans to associates by name and amount.	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	-	-

## Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

### NOTE 59:

As at March 31, 2023, the Company did not have any outstanding long term derivative contracts (previous year INR NIL).

### NOTE 60:

There were no whistleblower complaints received during the FY 2022-23.

### NOTE 61:

The Company does not have any scheme of arrangement which has an accounting impact on current or previous financial year.

### NOTE 62: EVENT AFTER REPORTING DATE:

There have been no events after the reporting date that require disclosure in these financial statements.

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As per my report of even date

#### For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

#### Abhishek Pachlangia

Partner

Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of

#### Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

#### K. R. Naik

Executive Chairman

DIN: 00002013

#### K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 17, 2023

#### Arati Naik

Executive Director

DIN: 06965985

#### Urjita Damle

Company Secretary

ICSI Membership No: 24654

# Consolidated Financial Information



# Independent Auditor's Report

## TO THE MEMBERS OF SMARTLINK HOLDINGS LIMITED Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Smartlink Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including the Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Revenue Recognition from Networking Products

Refer the disclosure related to Revenue recognition in Note 26 to the accompanying Consolidated Financial Statements.

The Group has two business segments, a) Investment b) Networking products: Developing, manufacturing, sales and servicing of various Information technology (IT) hardware products.

Revenue from sale and servicing of networking products is recognised net of returns and trade discounts. The Group recognises revenue when performance obligations as per the underlying contracts are satisfied in accordance with Ind AS 115 - Revenue from Contract with Customers ("Ind AS 115"). The terms set out in the Group's sales contracts are varied which affect the timing of revenue recognition.

We have identified Revenue recognition from networking products as a Key Audit Matter because Ind AS 115 involved assessing if distinct performance obligations exists under each type of the contracts and ensuring that the revenue is recognised in the appropriate period in which contractual obligation is satisfied.

#### Our audit procedures to assess the recognition of revenue from Networking Products included the following:

- Obtained an understanding and assessed the design, implementation and operating effectiveness of internal controls over identification of the contractual obligation existence, accuracy and timing of revenue recognition.
- Verified the contracts on test check basis to identify performance obligations under the contract and to assess whether revenue is recognised in the period in which the performance obligation is satisfied.
- Performed substantive transactional testing on test check basis.
- Performed substantive analytical procedures considering the revenue trends of the previous years and the relationship between revenue and other financial statement line items.
- Reconciled the revenue with sales register.
- Performed cut-off testing to validate the timing of revenue recognition determined by management.
- Verified the completeness and accuracy of the disclosures, which are included in note 26 of the consolidated financial statements.

#### 2. Valuation of Investments in Bonds and Mutual Funds

Refer Note 13 to the consolidated financial statements.

As at March 31, 2023, the Holding Company has investments of Rs. 10,743.31 Lakhs in mutual funds and bonds which constitutes about 41.06% of the total assets of the Group. During the year, the Holding Company has recognised Rs. 317.78 Lakhs as fair value gain in the statement of Profit and Loss as per requirements of Ind AS 109 "Financial Instruments".

Due to significance of amount involved, we have considered this as Key Audit Matter.

## Independent Auditor's Report

### **Our audit procedures to assess the Valuation of Investment in Bonds and Mutual Funds included the following:**

- Obtained an understanding and assessed the design, implementation and testing of the operating effectiveness of internal controls over the existence, valuation and classification, in mutual funds and bonds.
- Verified the de-mat account and statement of holdings to confirm existence and accuracy of Bonds as at March 31, 2023.
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2023.
- In respect of investments in mutual funds which are fair valued through profit or loss, performed independent price checks based on confirmation and statement of Net Asset Value (NAV) from mutual funds houses.
- In respect of investments in bonds which are valued at amortised cost, verified the deal sheets and computation of interest accrued.
- Evaluated the basis of classification of investments into the various categories of financial instruments.
- Verified the completeness and accuracy of the disclosures, which are included in note 13 of the Consolidated financial statements.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 11,584.43 lakhs as at March 31, 2023, total revenue of Rs. 20,452.23 lakhs and total net profit after tax of Rs. 368.41 lakhs and net cash outflows amounting to Rs. 22.63 lakhs for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

## Independent Auditor's Report

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The group does not have any pending litigations on its financial position which require disclosures in the consolidated financial statements as at March 31, 2023.
  - ii. The Group did not have any material foreseeable losses, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
  - iv. (1) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, and its subsidiary companies to or in any other persons / entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries have, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, and its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (2) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company, and its subsidiary companies from any person(s) / entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary companies have directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management of the Holding Company in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management of the Holding Company under sub-clause (1) and (2) contain any material misstatement.
  - v. The Holding Company and its subsidiary company incorporated in India have not declared or paid dividend during the year and therefore reporting compliance with section 123 of the Act is not applicable.
2. In our opinion, according to information, explanations given to us, the remuneration for the year ended March 31, 2023 paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V to the Act.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries associates included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.
4. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

**For Shridhar & Associates**

Chartered Accountants  
ICAI Firm Registration No. 134427W

**Abhishek Pachlangia**

Partner  
Membership No.: 120593  
UDIN: 23120593BGWJMN1876

Place : Mumbai  
Date : May 17, 2023

# Annexure B to the Independent Auditor's Report

## OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Smartlink Holdings Limited on the consolidated Financial Statements for the year ended March 31, 2023]

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Smartlink Holdings Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India.

#### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



## Independent Auditor's Report

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Shridhar & Associates**

Chartered Accountants  
ICAI Firm Registration No. 134427W

**Abhishek Pachlangia**

Partner

Membership No.: 120593  
UDIN: 23120593BGWJMN1876

Place : Mumbai

Date : May 17, 2023

# Consolidated Balance Sheet as at March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5	40.91	59.14
Bank balance other than cash and cash equivalents	6	1,361.62	2,065.37
Receivables			
(I) Trade receivables	7	4,032.24	1,712.84
(II) Other receivables	7	8.27	2.96
Investments	13	12,280.62	10,972.54
Other financial assets	8	314.02	173.58
<b>Non-financial Assets</b>			
Current tax assets (Net)	9	176.28	80.80
Deferred tax assets (Net)	36	267.03	327.21
Investment property	10	1,106.11	1,279.88
Property, plant and equipment	11	2,203.49	1,857.09
Capital work-in-progress		-	215.70
Other Intangible assets	12	-	3.71
Inventories	14	3,330.91	1,433.21
Other non-financial assets	15	1,041.36	703.60
<b>Total Assets</b>		<b>26,162.86</b>	<b>20,887.63</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Trade Payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		124.66	8.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,581.33	1,229.84
Borrowings (Other than Debt Securities)	17	3,366.66	2,527.89
Other financial liabilities	18	400.97	455.65
<b>Non-Financial Liabilities</b>			
Provisions	19	144.25	97.86
Other non-financial liabilities	20	194.69	72.47
<b>EQUITY</b>			
Equity share capital	21	199.50	199.50
Other equity	22	18,150.80	16,300.57
Non-controlling interest	23	-	(4.81)
<b>Total Liabilities and Equity</b>		<b>26,162.86</b>	<b>20,887.63</b>

See accompanying notes to the consolidated financial statements 1-68  
The accompanying notes are an integral part of the financial statements

As per my report of even date

**For Shridhar & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 134427W

**Abhishek Pachlangia**  
Partner  
Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of  
**Smartlink Holdings Limited**  
CIN: L67100GA1993PLC001341

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

**K. G. Prabhu**  
Chief Financial Officer

**Arati Naik**  
Executive Director  
DIN: 06965985

**Urjita Damle**  
Company Secretary  
ICSI Membership No.24654

Mumbai, dated: May 17, 2023

# Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>INCOME</b>			
<b>Revenue from operations</b>			
Interest Income	24	444.78	499.20
Rental Income		69.32	37.73
Net gain on fair value changes	25	317.78	342.48
Revenue from contracts with customer	26	15,473.38	7,070.77
<b>Total Revenue from operations</b>		<b>16,305.26</b>	<b>7,950.18</b>
Other Income	27	128.68	92.96
<b>Total Income</b>		<b>16,433.94</b>	<b>8,043.14</b>
<b>EXPENSES</b>			
Finance costs	28	171.91	70.86
Impairment of financial instruments	29	0.26	4.78
Purchase of Stock-in-trade	30	7,899.88	2,439.35
Cost of raw material consumed	31	5,814.83	2,604.48
Change in inventories of finished goods, work-in-progress and stock-in- trade	32	(1,426.68)	(384.29)
Employee benefits expenses	33	1,653.07	1,384.74
Depreciation and amortisation expense	34	298.60	239.46
Other expenses	35	1,838.85	945.23
<b>Total Expenses</b>		<b>16,250.72</b>	<b>7,304.61</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>183.22</b>	<b>738.53</b>
Exceptional Items (refer note 10 (c) )		2,091.57	-
<b>Profit / (Loss) before tax</b>		<b>2,274.79</b>	<b>738.53</b>
Less: Tax Expense:			
- Current Tax		334.89	108.42
- Deferred Tax		65.68	(408.39)
- Tax Adjustments of earlier year		(49.72)	6.90
<b>Total Tax Expense</b>	36(D)	<b>350.85</b>	<b>(293.07)</b>
<b>Profit / (Loss) for the year</b>		<b>1,923.94</b>	<b>1,031.60</b>
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		(34.86)	(14.39)
- Income tax relating to above		5.49	0.71
Other Comprehensive Income (A)		(29.37)	(13.68)
<b>Total Comprehensive Income for the year</b>		<b>1,894.57</b>	<b>1,017.92</b>
<b>Profit / (Loss) for the year attributable to</b>			
Equity holders of the parent		1,923.94	1,038.74
Non-controlling interest		-	(7.14)
<b>Other comprehensive income for the period attributable to</b>			
Equity holders of the parent		(29.37)	(14.03)
Non-controlling interest		-	0.35
<b>Total comprehensive income for the year, net of tax, attributable to</b>			
Equity holders of the parent		1,894.57	1,024.71
Non-controlling interest		-	(6.79)
Basic and diluted Earnings per share (Nominal value per share Rs 2)	38	19.29	9.90

See accompanying notes to the consolidated financial statements  
The accompanying notes are an integral part of the financial statements

1-68

As per my report of even date

**For Shridhar & Associates**

Chartered Accountants  
ICAI Firm Registration No.: 134427W

**Abhishek Pachlangia**

Partner  
Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of  
**Smartlink Holdings Limited**  
CIN: L67100GA1993PLC001341

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

**K. G. Prabhu**  
Chief Financial Officer

Mumbai, dated: May 17, 2023

**Arati Naik**  
Executive Director  
DIN: 06965985

**Urjita Damle**  
Company Secretary  
ICSI Membership No.24654

## Consolidated Statement of Cash Flow for the year ended March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Cash flow from operating activities</b>		
Net Profit before tax	2,274.79	738.53
Adjustments for:		
Depreciation and amortisation expense	298.60	239.46
Profit on Property, plant and equipment sold / written off (net)	(2,143.28)	(0.64)
Provision for diminution in value of non current investments	0.26	4.78
EIR impact of security deposits and rent amortization	(1.32)	(0.80)
EIR impact of interest income on bonds	6.94	6.84
Interest on income tax refund	(2.79)	(0.36)
Bad Debts written off	0.22	1.32
Provision for doubtful debts made/(written back)	5.82	4.96
Net gain on fair value changes	(317.78)	(342.48)
Unrealised Foreign exchange difference (net)	(13.14)	(23.38)
Sundry balances written off / (back) (net)	4.53	1.20
Finance costs	171.91	70.86
Gain on derecognition of Right to use assets	(2.72)	-
Provision for warranty (net)	9.30	4.24
Statutory provision no longer required written back	-	(8.70)
<b>Operating profit / (loss) before working capital changes</b>	<b>291.34</b>	<b>695.83</b>
<b>Changes in working capital</b>		
(Increase) / Decrease in Investments	(995.22)	5,866.72
(Increase) / Decrease in Fixed deposits with Banks	591.63	(762.43)
(Increase) / Decrease in Inventories	(1,897.70)	(743.40)
(Increase) / Decrease in Trade and other receivables	(2,329.23)	(832.11)
(Increase) / Decrease in Other financial assets	(27.00)	(435.61)
(Increase) / Decrease in Other non-financial assets	(337.75)	(131.77)
Increase / (Decrease) in Trade payables	2,474.59	464.97
Increase / (Decrease) in Other financial liabilities	(103.25)	169.16
Increase / (Decrease) in Other non-financial liabilities	112.90	31.83
Increase / (Decrease) in provisions	11.55	16.42
<b>Cash generated from / (used in) operations</b>	<b>(2,208.14)</b>	<b>4,339.61</b>
<b>Income tax paid</b>	<b>(377.86)</b>	<b>(143.00)</b>
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>(2,586.00)</b>	<b>4,196.61</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and investment property	(412.09)	(424.06)
Proceeds from Sale of property, plant and equipment and intangible assets.	2,507.37	0.68
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>2,095.28</b>	<b>(423.38)</b>

## Consolidated Statement of Cash Flow for the year ended March 31, 2023

(Amount in INR Lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Cash flow from Financing activities</b>		
Buyback of Parent Company's equity shares	-	(3,158.75)
Tax on Buyback of Parent Company's equity shares	-	(704.57)
Proceeds from / (Repayment of) borrowings	681.92	237.31
Interest payments	(146.47)	(100.14)
Cash Payment for the principal portion of lease payments	(62.94)	(42.26)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>472.51</b>	<b>(3,768.41)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(18.21)</b>	<b>4.82</b>
Cash and cash equivalents at the beginning of the year	59.14	54.31
Effect of exchange differences on restatement of foreign currency Cash and bank balance	(0.02)	0.01
<b>Cash and cash equivalents at the end of the year</b>	<b>40.91</b>	<b>59.14</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
On current accounts	38.13	55.84
Cash on hand	2.78	3.30
<b>Total cash and cash equivalents at end of the year</b>	<b>40.91</b>	<b>59.14</b>

(i) The above Consolidated Statement of Cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows"

(ii) Non Cash Movement in Financing Activity

Borrowings (including current maturities of long term Debt)	-	(45.16)
Lease Liabilities	219.79	15.87

See accompanying Notes forming part of the consolidated financial statements 1-68  
The accompanying notes are an integral part of the financial statements

As per my report of even date

**For Shridhar & Associates**

Chartered Accountants

ICAI Firm Registration No.: 134427W

**Abhishek Pachlangia**

Partner

Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of  
**Smartlink Holdings Limited**  
CIN: L67100GA1993PLC001341

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

**K. G. Prabhu**  
Chief Financial Officer

Mumbai, dated: May 17, 2023

**Arati Naik**  
Executive Director  
DIN: 06965985

**Urjita Damle**  
Company Secretary  
ICSI Membership No.24654

# Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

## EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Opening	99,75,000	199.50	1,33,00,000	266.00
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	(33,25,000)	(66.50)
<b>Closing</b>	<b>99,75,000</b>	<b>199.50</b>	<b>99,75,000</b>	<b>199.50</b>

## OTHER EQUITY

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Equity attributable to shareholders of the Company	Non Controlling Interest
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account				
<b>Balance at April 01, 2021</b>	92.95	320.43	334.10	5,567.20	12,765.00	(9.27)	2.27	19,072.68	1.98
Profit for the year	-	-	-	-	1,038.39	-	-	1,038.39	(7.14)
Other comprehensive income / (loss)	-	-	-	-	-	(13.68)	-	(13.68)	0.35
Total Comprehensive Income for the year	-	-	-	-	1,038.39	(13.68)	-	1,024.71	(6.79)
Buyback of equity shares	-	-	66.50	-	(3,158.75)	-	-	(3,092.25)	-
Expenses for buyback of equity shares	-	-	-	-	(704.57)	-	-	(704.57)	-
Transfer to Statutory Reserve	-	579.07	-	-	(579.07)	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>92.95</b>	<b>899.50</b>	<b>400.60</b>	<b>5,567.20</b>	<b>9,361.00</b>	<b>(22.95)</b>	<b>2.27</b>	<b>16,300.57</b>	<b>(4.81)</b>

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Equity attributable to shareholders of the Company	Non Controlling Interest
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account				
<b>Balance at April 01, 2022</b>	92.95	899.50	400.60	5,567.20	9,361.00	(22.95)	2.27	16,300.57	(4.81)
Profit for the year	-	-	-	-	1,923.94	-	-	1,923.94	-
Other comprehensive income / (loss)	-	-	-	-	-	(29.37)	(2.27)	(31.64)	-
Total Comprehensive Income for the year	-	-	-	-	1,923.94	(29.37)	(2.27)	1,892.30	-
Adjustment on Amalgamation	-	-	-	-	(42.07)	-	-	(42.07)	4.81
Transfer to Statutory Reserve	-	354.82	-	-	(354.82)	-	-	-	-
<b>Balance at March 31, 2023</b>	<b>92.95</b>	<b>1,254.32</b>	<b>400.60</b>	<b>5,567.20</b>	<b>10,888.05</b>	<b>(52.32)</b>	<b>-</b>	<b>18,150.80</b>	<b>-</b>

# Notes forming part of the consolidated financial statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

## NOTE 1: CORPORATE INFORMATION

Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) ("Company" or "Parent" or "Parent Company"), incorporated in Goa is a Non-Banking Financial Institution (NBFI) (non-deposit taking) as defined under Reserve Bank of India Act, 1934. The Company's registered office is situated at Verna Industrial Estate, Goa, India.

The Consolidated Financial Statement of Smartlink Holdings Limited comprise of the financial statements of the Parent Company and its subsidiaries Digisol Systems Limited and Synegra EMS Limited, together referred to as the 'Group'.

The parent Company operates as an Investment Company and earns majorly from investing activity.

Digisol Systems Limited is in the business of developing, manufacturing, marketing, distributing and servicing of various categories of Networking and Information Technology (IT) Products.

Synegra EMS Limited is in the business of manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers.

Telesmart SCS Limited is in the business of manufacture of various category of electronic and IT products. During the year the company has merged with Digisol Systems Limited (refer note 37(B)).

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2023 and authorised for issue on May 17, 2023.

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Group are as under:

### 2.1 Basis of Preparation of Financial Statements

#### (a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Company (Indian Accounting Standard) Ammendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees (INR) in lakhs, which is also the functional currency of the company and all amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, except when otherwise indicated.

#### (b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

### 2.2 Principles of consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

#### Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date, fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold a hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the noncontrolling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity.

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired.
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

### 2.3 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to it up to the date it is ready for its intended use. Cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date are shown under capital work-in-progress.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance costs are charged to Statement of Profit and Loss during the year in which they are incurred.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

#### Depreciation methods, estimated useful lives

The Group depreciates Property, Plant and Equipments using the straight line method over their estimated useful lives as under:

Property, plant and equipment	Useful Lives (in years)
Plant and Equipments	8
Furniture and Fixtures	8
Motor Vehicle	5
Office Equipment	5
Electrical Installations	10
Air Conditioners	10
Computers	3

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Depreciation on derecognition of an asset from property plant and equipment is provided up to the date preceding the date of derecognition. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### 2.4 Investment properties

Property that is held for long - term rental yield or for capital appropriation or both, and that is not used in the production of goods and services or for administrative purposes is classified as investment property.

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.



## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Investment properties include properties leased out and measured under Ind AS 116 as right of use assets.

### 2.5 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in statement of Profit & Loss account.

The Group amortized intangible assets using the straight line method over their estimated useful lives as under:

Intangible assets	Useful life (in years)
Computer Software (ERP)	3
Computer Software (other software)	4
Technical know-how	5

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### 2.6 Foreign Currency Transactions

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

#### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 2.7 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

### 2.8 Revenue Recognition

#### (a) Interest income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

### (b) Revenue from lease rentals

Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

### (c) Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

### (d) Trading Income

Trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

### (e) Revenue from contract with customers

Revenue from contract with customers is recognised upon satisfaction of the performance obligation by transferring promised goods and rendering of services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and services tax/value added taxes/sales tax and amounts collected on behalf of third party.

## 2.9 Accounting for Government Grants

Government grants in terms of incentives are recognized only when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

The Government grant in the form of incentives are recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and the achievement of the performance criteria for being eligible for receipt of the grant. The grants are presented under 'Other Operating Income' in the Statement of Profit and Loss.

## 2.10 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

## 2.11 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset

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or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

Ind AS 116 requires inclusion of variable lease payments based on Index or a rate.

Variable lease payments based on an index or a rate: Variable lease payments based on an index or a rate (for example, linked to a consumer price index, a benchmark interest rate or a market rental rate) are part of the lease liability. From the perspective of the lessee, these payments are unavoidable, because any uncertainty relates only to the measurement of the liability but not to its existence. Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date (instead of forward rates/indices). This means that an entity does not forecast future changes of the index/rate; these changes are taken into account at the point in time in which lease payments change. However, based on management's estimates that lease payment increases 10% after a period of a period of three years. Therefore, based on management judgement, estimates and conservative approach it is estimated, lease liability has been calculated based on these estimated cash flows.

### Operating leases

#### As a lessee:

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying AS 29 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

#### As a lessor:

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

## 2.12 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine

## Notes forming part of the consolidated financial statements

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whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### 2.13 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

### 2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents include cash on hand, cash in bank and short-term deposits net of bank overdraft.

### 2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Investments and financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in Interest income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in Interest income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in Interest income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity..

## Notes forming part of the consolidated financial statements

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

### (c) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

#### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

#### (d) Financial Guarantee Contracts

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

### (e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### 2.16 Inventories

Inventories are valued at the lower of cost (on weighted average basis) and net realisable value.

Cost of inventories comprises of cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The net realizable value of work in progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed the net realizable value.

### 2.17 Employee Benefits

#### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (b) long-term employee benefit obligations

##### (i) Defined contribution plan

**Provident Fund:** The Group's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Group has no obligation, other than the contribution payable to the provident fund.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution plan as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

##### (ii) Defined benefit plans

Gratuity:

The Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in Surplus in statement of profit and loss account and is not reclassified to profit or loss in subsequent periods.

#### (c) Other Long Term Employee Benefits:

Group's liabilities towards compensated absences to employees which are expected to be availed or encashed beyond 12 months from the end of the year are accrued on the basis of valuations, as at the Balance sheet date, carried out by an independent actuary using Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

### 2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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### 2.19 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- a) Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.
- b) Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 2.20 Dividend on ordinary shares

The Group recognises a liability when the distribution is authorised by the shareholders. A corresponding amount is recognised directly in equity.

### 2.21 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker.

The group has two business segments:

- (i) Investment : Earning income through dividends, interest, rentals and gains on Investment in securities and property.
- (ii) Networking : Developing, manufacturing, marketing, distributing and servicing of networking products.

### 2.22 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

### NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 are as below :

#### (a) Useful life of Property, plant and equipment, Investment Property and intangible assets and its expected residual value

Property, plant and equipment, Investment Property and other intangible assets represent a significant proportion of the assets of the Group. Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### (b) Fair value measurements and valuation processes

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility for further details about determination of fair value.

#### (c) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Information about such valuation is provided in notes to the financial statements.

#### (d) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### (e) Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

## Notes forming part of the consolidated financial statements

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This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

### (f) Impairment of financial asset

The Group recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Group assesses whether the above financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### NOTE 4:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### (i) Ind AS 1 – Disclosure of material accounting policies:

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific." This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in its financial statements.

#### (ii) Ind AS 8 – Definition of accounting estimates:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

#### (iii) Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

- a) right-of-use assets and lease liabilities
- b) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset.

Therefore, if a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of-use assets and lease liabilities.

#### (iv) Ind AS 103 – Common control Business Combination

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.



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(Amount in INR lakhs, unless otherwise stated)

### NOTE 5: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	2.78	3.30
Balances with banks		
On current accounts	38.13	55.84
<b>Total</b>	<b>40.91</b>	<b>59.14</b>

### NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2023	As at March 31, 2022
In Fixed deposit with maturity for more than 12 months*	1,323.66	2,011.38
Accrued interest on deposit	36.12	49.85
Unpaid dividend accounts	1.84	4.14
<b>Total</b>	<b>1,361.62</b>	<b>2,065.37</b>

\*

- Includes INR 72.45 lakhs (March 31, 2022 INR 72.45 lakhs) held as margin money against bank guarantee.
- Includes INR NIL (March 31, 2022 INR 940.00 lakhs) held against corporate guarantee to bank for credit facilities availed.
- Includes INR 660.00 lakhs (March 31, 2022 INR Rs. 967.12 lakhs) fixed deposits under lien with the banks as margin money against credit facility availed.
- Includes INR 55.00 lakhs (March 31, 2022 INR NIL) fixed deposits under lien with the Small Industrial Development Bank Of India as a margin money against term loan availed.

### NOTE 7: RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Receivables considered good - Secured		
Receivables considered good - Unsecured	4,032.24	1,712.84
Receivables considered doubtful - Unsecured	29.01	23.19
Less : Provision for doubtful debts	(29.01)	(23.19)
	<b>4,032.24</b>	<b>1,712.84</b>
<b>Others Receivables</b>		
Considered good - Unsecured - From Others	8.27	2.96
<b>Total</b>	<b>4,040.51</b>	<b>1,715.80</b>

There are no dues from director or other officer of the company or any firm or private company in which any director is a partner, a director or a member.

The net carrying value of trade receivables is considered a reasonable approximation of fair value

#### Ageing of Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Undisputed Trade receivables – considered good		
Unbilled Dues	-	-
Not Due	3,765.03	1,548.98
Less than 6 months	283.94	174.66
6 months - 1 year	0.35	5.01
1-2 years	1.62	0.36
2-3 years	-	-
More than 3 years	-	0.46
<b>Total</b>	<b>4,050.94</b>	<b>1,729.46</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Ageing of Trade Receivables (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-
(iv) Disputed Trade Receivables–considered good	-	-
6 months - 1 year	10.43	-
More than 3 years	8.15	9.53
<b>Total</b>	<b>18.58</b>	<b>9.53</b>
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	(29.01)	(23.19)
<b>Total</b>	<b>4,040.51</b>	<b>1,715.80</b>

### NOTE 8: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits (gross)	28.13	37.23
Less: Provision for impairment loss	-	(7.99)
Security Deposits (net)	28.13	29.24
Advance to employees	5.89	8.57
Production Linked Incentive Receivable	280.00	135.77
<b>Total</b>	<b>314.02</b>	<b>173.58</b>

### NOTE 9: CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of taxes and tax deducted at source (net of provisions for taxation of INR 1,051.50 lakhs (March 31, 2022: INR 1966.33 lakhs)	176.28	80.80
<b>Total</b>	<b>176.28</b>	<b>80.80</b>

### NOTE 10: INVESTMENTS

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amount			Amount		
	Land	Building	Total	Land	Building	Total
<b>Gross Block</b>						
Opening balance of gross carrying amount	856.72	545.80	1,402.52	708.34	492.22	1,200.56
Additions	-	-	-	148.38	53.58	201.96
Disposals (refer note (c))	148.38	-	148.38	-	-	-
Other adjustments	-	-	-	-	-	-
<b>Closing balance of gross carrying amount</b>	<b>708.34</b>	<b>545.80</b>	<b>1,254.14</b>	<b>856.72</b>	<b>545.80</b>	<b>1,402.52</b>
<b>Accumulated amortization and impairment, if any</b>						
Opening accumulated depreciation	31.03	91.61	122.64	22.19	65.25	87.44
Charge for the year	8.84	16.55	25.39	8.84	16.56	25.40
Deduction/ other adjustments	-	-	-	-	(9.80)	(9.80)
<b>Closing accumulated depreciation</b>	<b>39.87</b>	<b>108.16</b>	<b>148.03</b>	<b>31.03</b>	<b>91.61</b>	<b>122.64</b>
<b>Net Block</b>	<b>668.47</b>	<b>437.64</b>	<b>1,106.11</b>	<b>825.69</b>	<b>454.19</b>	<b>1,279.88</b>

#### Note:

- Asset given on operating lease - gross value - on March 31, 2023: INR 1,254.14 lakhs (March 31, 2022: INR 1,402.52 lakhs), - written down value on March 31, 2023: INR 1,106.11 lakhs (March 31, 2022: INR 1,279.88 lakhs)
- INR 39.33 lakhs (March 31, 2022: INR 17.72 lakhs) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.
- The Board of Directors of the Parent Company at their meeting held on August 04, 2022 had approved the Memorandum of Understanding ("MOU") for sale of land admeasuring 643.9 Sq. Mts. situated at Off C.S.T. Road, Santacruz (E), Mumbai 400098 for a consideration of Rs. 2,475.00 lakhs. The Company has completed the sale on execution of the sale deed. Consequently, the profit on the sale of Rs. 2,091.57 lakhs has been recognised and disclosed as exceptional item.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation				Net block		
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land-Freehold	87.91	-	-	87.91	87.91	-	-	87.91	-	-
Buildings-Own Use	1,789.82	-	-	1,789.82	900.35	47.10	-	947.45	842.37	889.47
Plant and equipment	2,197.70	256.37	476.23	1,977.84	1,413.09	136.22	476.23	1,073.08	904.76	784.61
Furniture and fixture	297.88	15.74	-	313.62	295.26	1.28	-	296.54	17.08	2.62
Vehicles	28.02	111.56	7.31	132.27	22.03	14.66	7.31	29.38	102.89	5.99
Office equipment	145.01	1.33	-	146.34	141.62	1.36	-	142.98	3.36	3.39
Electrical installations	416.55	11.66	-	428.21	409.26	1.89	-	411.15	17.06	7.29
Air conditioners	358.36	15.42	-	373.78	342.69	3.46	-	346.15	27.63	15.67
Computers	281.51	-	-	281.51	246.03	15.22	-	261.25	20.26	35.48
Right of use assets (refer note 43)	180.02	227.80	83.82	324.00	67.45	48.31	59.84	55.92	268.08	112.57
<b>Total</b>	<b>5,782.78</b>	<b>639.88</b>	<b>567.36</b>	<b>5,855.30</b>	<b>3,925.69</b>	<b>269.50</b>	<b>543.38</b>	<b>3,651.81</b>	<b>2,203.49</b>	<b>1,857.09</b>

Particulars	Gross Block			Depreciation				Net block		
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at 31 March, 2020
Land-Freehold	236.29	-	148.38	87.91	87.91	-	-	87.91	-	148.38
Buildings-Own Use	1,843.40	-	53.58	1,789.82	863.05	47.10	9.80	900.35	889.47	980.35
Plant and equipment	1,821.82	375.88	-	2,197.70	1,315.00	98.09	-	1,413.09	784.61	506.82
Furniture and fixture	298.93	0.24	1.29	297.88	295.65	0.90	1.29	295.26	2.62	3.28
Vehicles	28.02	-	-	28.02	17.67	4.36	-	22.03	5.99	10.35
Office equipment	143.41	1.60	-	145.01	140.47	1.15	-	141.62	3.39	2.94
Electrical installations	416.55	-	-	416.55	407.87	1.39	-	409.26	7.29	8.68
Air conditioners	357.49	0.87	-	358.36	337.37	5.32	-	342.69	15.67	20.12
Computers	236.52	45.46	0.47	281.51	233.50	12.96	0.43	246.03	35.48	3.02
Right of use assets (refer note 43)	180.02	-	-	180.02	37.99	29.46	-	67.45	112.57	142.03
<b>Total</b>	<b>5,562.45</b>	<b>424.05</b>	<b>203.72</b>	<b>5,782.78</b>	<b>3,736.48</b>	<b>200.73</b>	<b>11.52</b>	<b>3,925.69</b>	<b>1,857.09</b>	<b>1,825.97</b>

#### Note:

- All title deeds of immovable properties are held in the name of company.
- The group has not revalued any of its property, plant and equipments during the years ended March 31, 2023 and March 31, 2022.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 12: INTANGIBLE ASSETS

Particulars	Gross Block				Amortisation				Net block		
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	
Computer Software-Acquired	176.34	-	-	176.34	176.18	0.16	-	176.34	-	0.16	
Technical know-how	37.75	-	-	37.75	34.20	3.55	-	37.75	-	3.55	
<b>Total</b>	<b>214.09</b>	<b>-</b>	<b>-</b>	<b>214.09</b>	<b>210.38</b>	<b>3.71</b>	<b>-</b>	<b>214.09</b>	<b>-</b>	<b>3.71</b>	

Particulars	Gross Block				Amortisation				Net block		
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at 31 March, 2021	
Computer Software-Acquired	176.34	-	-	176.34	170.40	5.78	-	176.18	0.16	5.94	
Technical know-how	37.75	-	-	37.75	26.65	7.55	-	34.20	3.55	11.10	
<b>Total</b>	<b>214.09</b>	<b>-</b>	<b>-</b>	<b>214.09</b>	<b>197.05</b>	<b>13.33</b>	<b>-</b>	<b>210.38</b>	<b>3.71</b>	<b>17.04</b>	

Note:

a) The group has not revalued any of its intangible assets during the years ended March 31, 2023 and March 31, 2022.

### NOTE 13: INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments measured at amortised cost</b>		
Debt securities	4,551.90	5,056.62
Fixed Deposits	1,537.31	-
<b>Investments measured at Fair Value through Profit or Loss</b>		
Mutual funds	6,191.41	5,915.92
<b>Investments measured at Fair Value through Other Comprehensive Income</b>		
Debt securities	-	49.30
<b>Total - Gross (A)</b>	<b>12,280.62</b>	<b>11,021.84</b>
Less: Allowance for Impairment loss (B)	-	(49.30)
<b>Total - Net (A)-(B)</b>	<b>12,280.62</b>	<b>10,972.54</b>
Investments outside India	-	-
Investments in India	12,280.62	10,972.54

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Details of investments

	Particulars	Face Value	Nos		Amount	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b>Investments measured at Amortised Cost</b>					
	<b>Investments in bonds (Quoted): (refer note 2):</b>					
	Cholamandalam Perp NCD Series PDI 10 12.90%	5,00,000	-	40	-	241.65
	Tata Power Company Limited 2072 - NCD 10.75%	10,00,000	-	55	-	590.01
	Canara Bank BD Perpetual - 9.55%	10,00,000	10	10	100.58	100.59
	Cholamandalam Investment and Finance Company Limited - NCD 8.80%	10,00,000	30	30	320.90	320.90
	Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	10,00,000	30	30	320.94	320.94
	HDFC Bank Limited Perpetual - BD 8.85%	10,00,000	-	28	-	302.57
	Tata Motors Finance Limited Perpetual NCD -11.10%	10,00,000	30	30	342.74	343.01
	Bajaj Finance Ltd 2027 - NCD 8.15%	10,00,000	5	5	50.63	50.63
	Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	-	20,000	-	210.01
	L&T infrastructure Finance Company Limited -NCD 7.65%	25,00,000	-	12	-	312.94
	L&T Infrastructure Finance Company Limited - NCD 8.81%	25,00,000	-	5	-	134.60
	UP Power Corporation Limited - NCD 10.15%	10,00,000	10	10	102.29	102.68
	North Eastern Electric Power Corporation Limited - NCD 7.68%	10,00,000	20	20	206.13	206.34
	ICICI Bank DDB tier -II 0.00%	1,00,000	-	365	-	348.54
	Tata Sons Ltd NCD - 9.54%	10,00,000	-	15	-	163.53
	M&M Financial Services Ltd 2031 - 7.35%	10,00,000	20	20	210.83	210.83
	State Bank of India Unsecured Rated Listed Additional Tier I Non Convertible Bond - 7.72%	1,00,00,000	3	3	314.09	314.30
	8.50% Muthoot Fincorp Limited	10,00,000	-	10	-	100.65
	Punjab National Bank Tier II - 8.93%	10,00,000	-	10	-	103.85
	Kotak Mahindra Bank Limited Basel III perp - 8.10%	5	40,00,000	40,00,000	201.20	202.68
	State Bank of India perp - 100 years - 7.55%	1,00,00,000	2	2	204.50	204.52
	L&T Finance Limited Tier II (series-s) - 9.95%	10,00,000	16	16	167.50	170.85
	Punjab National Bank (TIER II) Bonds - 9.20%	10,00,000	11	-	117.47	-
	L&T Finance Limited MLD	10,00,000	20	-	200.23	-
	TATA Capital Financial Services Limited - 7.89%	10,00,000	50	-	529.18	-
	L&T Finance Limited - 8.75%	10,00,000	9	-	92.87	-
	Mahindra & Mahindra Financial Services LTD - 7.90%	10,00,000	50	-	523.41	-
	Bank Of India (Series XI) - 9.80%	10,00,000	8	-	88.49	-
	PNB Housing Finance Limited Bonds (Series XVII.B) - 9.48%	10,00,000	25	-	252.66	-
	L & T Finance Limited - 8.90%	10,00,000	19	-	205.26	-
					4,551.90	5,056.62
	<b>Fixed Deposits (Unquoted)</b>					
	Fixed Deposit with Bajaj Finance Limited (refer foot note 1)	15,00,00,000	3	-	1,537.31	-
					1,537.31	-
<b>2.</b>	<b>Investments measured at Fair Value through Profit or Loss</b>					
	<b>Mutual funds (Unquoted)</b>					
	HDFC Mutual Fund					
	HDFC Liquid Fund - Direct Plan - Growth	1,000	-	574.030	-	24.02
	HDFC Corporate Bond Fund - Direct Plan - Growth	10	3,90,996.466	3,90,996.466	107.99	103.54
	<b>ICICI Mutual Fund</b>					
	ICICI Prudential Banking & PSU Debt Fund - Growth	10	20,67,524.707	20,67,524.707	569.54	540.34

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Details of Investment (contd.):

Particulars	Face Value	Nos		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
ICICI Prudential Corporate Bond Fund - Growth	10	21,17,912.2	24,35,703.391	528.89	576.19
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	4,93,524.038	4,93,524.038	128.45	121.34
ICICI Prudential Short Term Fund - Growth Option	10	40,817.002	2,50,792.088	20.62	119.85
ICICI balance Advantage Fund - Growth	10	78,693.356	51,205.961	45.47	25.37
<b>Kotak Mahindra Mutual Fund</b>					
Kotak Bond Fund Short Term - Growth - Regular Plan	10	15,04,985.518	15,04,985.518	663.94	640.93
<b>Birla Sun Life Mutual Fund</b>					
Birla Sun life floating rate fund -growth -regular plan	10	76,645.066	1,27,134.481	224.53	353.32
Aditya Birla sun life floating rate fund growth direct plan	100	1,75,327.342	-	525.26	-
<b>SBI Mutual fund</b>					
SBI Short Term Debt Fund-Regular Plan-Growth	10	40,77,363.452	40,77,363.452	1,106.21	1,061.98
<b>Franklin Templeton Mutual Fund</b>					
Franklin India Short term Income Plan- Retail Plan-Segregated Portfolio 2 (10.90% Vodafone Idea Ltd 02Sep2023 (P/C 03Sep2021) -Growth Option)	1,000	13,649.982	18,290.977	12.75	-
<b>Invesco Mutual Fund</b>					
Invesco India Ultra Short Term Fund Plan Growth	10	10,022.335	10,022.335	230.95	220.30
Invesco India Short Term Fund - Direct Plan Growth	10	7,725.541	7,725.541	254.42	244.55
<b>HSBC Mutual Fund</b>					
HSBC Corporate Bond Fund - Direct Growth (Formerly L & T Triple Ace Bond Fund - Direct Plan-Growth)	10	2,52,757.312	9,85,570.099	164.44	619.53
HSBC Short Duration Fund - Direct Growth (Formerly L & T Short Term Bond Fund - Direct Plan - Growth)	10	28,97,136.850	28,97,136.850	680.93	655.07
<b>Bandhan Mutual Fund</b>					
Bandhan Banking & PSU Debt Fund - Direct Plan - Growth (Formerly IDFC Banking & PSU Debt Fund - Direct Plan - Growth)	10	19,40,480.415	19,40,480.415	414.35	395.84
Bandhan Bond Fund - Short Term Plan - Growth (Formerly IDFC Bond Fund - Short Term Plan - Growth)	10	-	33,384.349	-	16.36
Bandhan Dynamic bond fund - Growth - regular plan (Formerly IDFC Dynamic Bond fund growth regular)	10	10,77,845.928	-	309.21	-
<b>Edelweiss Mutual Fund</b>					
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	10	18,37,832.906	18,37,832.906	203.46	197.39
				6,191.41	5,915.92
<b>Preference Shares (Unquoted)</b>					
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	-	340	-	49.30
Total - Gross				-	49.30
Less: Allowance for Impairment loss				-	(49.30)
Total - Net				-	-
Total Investments - Gross				12,280.62	11,021.84
Total Impairment				-	(49.30)
Total Investments - Net				12,280.62	10,972.54

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Details of Investment (contd.):

Particulars	Face Value	Nos		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Aggregate book value of:</b>					
Quoted investments				4,551.90	5,056.62
Unquoted investments				6,950.66	5,256.21
<b>Aggregate market value of:</b>					
Quoted investments				4,364.52	4,840.31
Unquoted investments				6,191.41	5,915.92

Footnote:-

- Fixed deposits are pledged against Loan obtained by Digisol Systems Limited (March 31, 2022 INR NIL).
- Investment in Bonds includes accrued interest INR 174.68 in the current year and 210.83 lakhs in the previous year.

### NOTE 14: INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components	790.71	181.11
Raw materials and components in transit	256.85	405.59
Work-in-progress	515.73	0.39
Finished goods	68.04	2.50
Stock in Trade	1,649.56	653.23
Stock in Trade in transit	13.84	164.37
Stores, spares and packing materials	36.18	26.02
<b>Total</b>	<b>3,330.91</b>	<b>1,433.21</b>

1. The Cost of raw materials inventories recognised as expense during the year	5,814.83	2,604.48
2. Carrying value of Inventories hypothecated as security by the company	3,294.73	852.02

(Also refer note 17)

### NOTE 15: OTHER NON FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to vendor	112.13	142.63
Balance with government authorities	870.10	512.14
Surplus in Gratuity fund (funded) (Refer note 42)	12.50	6.36
Prepaid expenses	46.63	42.47
<b>Total</b>	<b>1,041.36</b>	<b>703.60</b>

### NOTE 16: TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer foot note below)	124.66	8.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,581.33	1,229.84
<b>Total</b>	<b>3,705.99</b>	<b>1,238.50</b>

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro enterprises and small enterprises on the basis of information available with the Company.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Note:

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding principal amount and interest as on 31st March.		
- Principal Amount	124.66	8.66
- Interest due thereon	-	0.04
Amount of interest paid along with the amounts of payment made beyond the appointed day	0.70	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	0.23	0.31
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.23	0.68
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of the said Act		

### Trade Payables ageing schedule

Particulars	As at March 31, 2023	As at March 31, 2022
(i) MSME		
Unbilled Dues	-	-
Payable Not Due	122.73	8.42
Less than 1 year	1.93	0.24
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>124.66</b>	<b>8.66</b>
(i) Others (Undisputed)		
Unbilled Dues	280.38	161.08
Payable Not Due	1,986.28	726.26
Less than 1 year	1,311.98	337.36
1-2 years	2.69	1.09
2-3 years	-	3.78
More than 3 years	-	0.27
<b>Total</b>	<b>3,581.33</b>	<b>1,229.84</b>

### NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Borrowings measured at Amortised Cost</b>		
<b>Secured</b>		
Bank Overdraft	205.82	614.33
Term Loan	206.98	-
Loan from Financial Institution	1,350.08	-
<b>Unsecured</b>		
Loans from director	1,263.37	1,730.00
Lease liabilities	340.41	183.56
<b>Total</b>	<b>3,366.66</b>	<b>2,527.89</b>
Borrowings in India	3,366.66	2,527.89
Borrowings outside India	-	-
<b>Total</b>	<b>3,366.66</b>	<b>2,527.89</b>



## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Terms and conditions:

#### Secured Loan:

Bank Overdraft of Synegra EMS Limited and that of Digisol Systems Limited is secured by charge ranking pari passu, by way of hypothecation of all existing and future Inventory and trade receivables, Corporate Guarantee from Parent Company of INR 4300 lakhs, and lien on Fixed Deposit of Parent Company of INR 660 lakhs.

- During the year ended March 31, 2023, new term loan from SIDBI was availed by Synegra EMS Limited amounting to INR 206.84 lakhs and carries interest @ 8.25%. The term loan is repayable in 30 equal monthly instalments after a moratorium of 6 months. Term loan is secured by a first charge, by way of hypothecation of all movable assets (except Inventory and trade receivables), lien on fixed deposit of INR 55 lakhs of Synegra EMS Limited and Corporate Guarantee from Parent Company of INR 270 lakhs. As per the loan sanction letter, the said loan was taken for the purpose of purchase of Plant & Machinery. The Company has used such borrowings for the purposes as stated in the loan sanction letter.
- During the year ended March 31, 2023, new short term revolving loan from Bajaj Finance Limited was availed by Digisol Systems Limited amounting to INR 1350.00 lakhs and carries floating interest. The short term revolving loan is repayable in 90 days. Short term revolving loan is secured by way of lien on fixed deposit of INR 1500 lakhs and Corporate Guarantee from Parent Company of INR 2000 lakhs. As per the loan sanction letter, the said loan was taken for the purpose of working capital. The Company has used such borrowings for the purposes as stated in the loan sanction letter.

#### Unsecured Loan:

Loan from Director taken for a tenure of 365 days

### NOTE 18: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits	25.36	9.56
Unpaid dividend <sup>#</sup>	1.84	4.14
Interest accrued on delayed payment to MSME (Refer Note 16)	0.09	0.68
Capital creditors	90.76	284.47
Employee Payable	233.14	148.88
Asset Retirement Obligation	8.58	7.92
Payable to Telesmart SCS Limited Minority Shareholder (Refer note 37(b))	41.20	-
<b>Total</b>	<b>400.97</b>	<b>455.65</b>

<sup>#</sup> During the year INR 1.42 lakhs (March 31, 2022 INR 1.43 lakhs) was transferred to the Investor Education and Protection Fund.

### NOTE 19: PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (funded) (Refer note 42)	70.77	39.22
Provision for leave encashment (unfunded)	36.86	31.32
Provision for Warranty (Refer note 39)	36.62	27.32
<b>Total</b>	<b>144.25</b>	<b>97.86</b>

### NOTE 20: OTHER NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	33.62	21.66
Advances from clients/customers	154.73	50.36
Advance rent received	6.34	0.45
<b>Total</b>	<b>194.69</b>	<b>72.47</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 21: EQUITY SHARE CAPITAL

The Company has only one class of equity share capital having a par value of INR 2 per share, referred to herein as equity shares.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized</b>		
3,50,00,000 Equity Shares of INR 2/- each	700.00	700.00
	700.00	700.00
<b>Issued, Subscribed and paid up</b>		
99,75,000 (March 31, 2022 : 1,33,00,000) Equity Shares of INR. 2/- each, fully paid-up	199.50	266.00
Less: NIL (March 31, 2022 : 33,25,000) Equity Shares purchased under Buy-back scheme	-	66.50
<b>Total</b>	<b>199.50</b>	<b>199.50</b>

#### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	9,975,000	13,300,000
Add: Issued during the year / Bonus	-	-
Less: Bought back during the year	-	(3,325,000)
<b>Outstanding at the end of the year</b>	<b>9,975,000</b>	<b>9,975,000</b>

The Board of Directors of the Company at its meeting held on 4th December, 2020 and the Shareholders of the Company through postal ballot on 10th February, 2021 had approved the proposal of the Company to buy-back upto 33,25,000 fully paid-up equity shares of INR. 2/- each at a price of INR. 95/- per share (aggregating to 17.43% of the fully paid-up Equity Share Capital and Free Reserves of the Company), payable in cash for an aggregate amount not exceeding INR. 31,58,75,000/- from the existing shareholders of the Company under Tender Offer Mechanism. The offer was kept open from April 30, 2021 to May 14, 2021. The Company had bought back 33,25,000 Equity Shares and the shares were extinguished on May 27, 2021.

#### (b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of INR 2/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of company, the equity shareholders are entitled to receive the remaining assets of the company after distributions of all preferential amounts, in proportion to their shareholding.

#### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	4,800,163	48.12%	4,674,160	46.86%
Ms. Arati K. Naik	934,833	9.37%	934,833	9.37%
Mrs. Lakshana A. Sharma	794,608	7.97%	794,608	7.97%
Mrs. Sudha K. Naik	467,417	4.69%	467,417	4.69%

#### (d) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	No of shares bought - back during the year	No of shares outstanding
31.03.2023	-	9,975,000
31.03.2022	3,325,000	9,975,000
31.03.2021	-	13,300,000
31.03.2020	3,650,000	13,300,000
31.03.2019	5,600,000	16,950,000

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### (e) Details of Shares held by Promoters at the end of the year

Particulars	As at March 31, 2023			As at March 31, 2022		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Mr. Kamalaksha R. Naik	4,800,163	48.12%	2.70%	4,674,160	46.86%	-29.71%
Ms. Arati K. Naik	934,833	9.37%	-	934,833	9.37%	-29.71%
Mrs. Lakshana A. Sharma	794,608	7.97%	-	794,608	7.97%	-29.71%
Mrs. Sudha K. Naik	467,417	4.69%	-	467,417	4.69%	-29.71%
Mr. Amit Virendra Sharma	17,891	0.18%	100%			
K R Naik HUF	100,493	1.01%	-	100,493	1.01%	-29.71%
<b>Total</b>	<b>7,115,405</b>	<b>71.34%</b>		<b>6,971,511</b>	<b>69.90%</b>	

### NOTE 22: OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	5,567.20	5,567.20
Capital Redemption Reserve	400.60	400.60
Capital Contribution	92.95	92.95
FVTOCI Reserve on financial instruments	-	2.27
FVTOCI Reserve on defined benefit plans	(52.32)	(22.95)
Statutory Reserve	1,254.32	899.50
Surplus in Statement of Profit and Loss	10,888.05	9,361.00
<b>Total</b>	<b>18,150.80</b>	<b>16,300.57</b>

(Amount in INR lakhs, unless otherwise stated)

#### (A) General Reserve\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	5,567.20	5,567.20
Add / (Less): Transfer from Surplus in Profit and Loss account	-	-
<b>Closing balance</b>	<b>5,567.20</b>	<b>5,567.20</b>

\*General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

#### (B) Capital Redemption Reserve\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	400.60	334.10
Add: NIL (March 31, 2022: 33,25,000) Equity shares of INR 2/- each purchased under buyback scheme	-	66.50
<b>Closing balance</b>	<b>400.60</b>	<b>400.60</b>

\*This is on account of transfer towards buyback of equity shares. It will be utilized in accordance with the provisions of the Companies Act, 2013.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### (C) Capital Contribution\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	92.95	92.95
Add / (Less): Change during the year	-	-
<b>Closing balance</b>	<b>92.95</b>	<b>92.95</b>

\* Represents impact of interest on loan to subsidiaries by promoters at lower than market rate of interest.

### (D) FVTOCI Reserve on Financial Instruments\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2.27	2.27
Net fair value gain/ (loss) on financial instruments	(2.27)	-
<b>Closing balance</b>	<b>-</b>	<b>2.27</b>

\* Represents changes in the fair value of certain investments in debt securities. These changes are accumulated within the FVTOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant debt securities are derecognised.

### (E) FVTOCI Reserve on defined benefit plans\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(22.95)	(9.27)
Net fair value gain/ (loss) on financial instruments	(29.37)	(13.68)
<b>Closing balance</b>	<b>(52.32)</b>	<b>(22.95)</b>

\* Represents, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liability are recognised in the other comprehensive income instead of profit and loss.

### (F) Statutory Reserve (As per section 45 IC of the Reserve Bank of India Act 1934)\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	899.50	320.43
Add / (Less): Transfer from Surplus in Statement of Profit and loss	354.82	579.07
<b>Closing balance</b>	<b>1,254.32</b>	<b>899.50</b>

\*This represents provision created under section 45-IC of the Reserve Bank of India Act, 1934. It will be utilized in accordance with the provisions of the Reserve Bank of India Act, 1934

### (G) Retained Earnings / Surplus in Statement of Profit and loss\*

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	9,361.00	12,765.00
Add : Net profit / (loss) for the year	1,923.94	1,031.60
Amount available for appropriations	11,284.94	13,796.60
<b>Less : Appropriations</b>		
Less: Transferred to Statutory Reserve	(354.82)	(579.07)
Less: Paid to Shareholders for purchase of shares under buyback scheme	-	(3,158.75)
Less: Buyback Tax	-	(704.57)
Less: Adjustment on Amalgamation	(42.07)	-
Add : Share in Loss attributable to Minority Interest	-	6.79
<b>Closing balance</b>	<b>10,888.05</b>	<b>9,361.00</b>

\*This represents the cumulative profits of the Group which can be utilized in accordance with the provisions of the Companies Act, 2013.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 23: NON-CONTROLLING INTEREST

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	(4.81)	1.98
Add : Loss for the period	-	(6.79)
Less: Change in controlling stake of Subsidiary	4.81	-
<b>Total</b>	<b>-</b>	<b>(4.81)</b>

### NOTE 24: INTEREST INCOME

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>On financial assets measured at FVTOCI</b>		
Interest on bonds	-	-
Interest on preference shares	2.53	4.78
	2.53	4.78
<b>On Financial Assets measured at Amortised Cost</b>		
Interest on deposits with banks	52.91	74.88
Interest on deposits with financial institutions	38.34	6.24
Interest Income on bonds	349.68	412.24
Interest Income on security deposits	1.32	0.80
Interest Income - others	-	0.26
<b>Total</b>	<b>444.78</b>	<b>499.20</b>

(Amount in INR lakhs, unless otherwise stated)

### NOTE 25: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES\*

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On financial instruments designated at fair value through profit or loss	317.78	342.48
<b>Total</b>	<b>317.78</b>	<b>342.48</b>
Fair Value changes:		
- Realised	199.44	686.28
- Unrealised	118.34	(343.80)
<b>Total</b>	<b>317.78</b>	<b>342.48</b>

\*Fair value changes in this schedule are other than those arising on account of interest income/expense.

### NOTE 26: REVENUE FROM CONTRACTS WITH CUSTOMER

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of goods	14,332.89	5,987.68
Sale of services	698.07	569.72
Royalty Income	141.35	340.20
<b>Other Operating Activities</b>		
Process Scrap income	13.54	8.35
Production Linked Incentive Income (refer note 65)	280.00	135.77
SEIS Scrip Duty Income	7.53	29.05
<b>Total</b>	<b>15,473.38</b>	<b>7,070.77</b>

The Subsidiaries derives its revenue from contract with customers for the transfer of goods and services at a point in time in a manner in which the they transfers the control of goods and services to customers. The Subsidiaries are engaged mainly in the business of manufacture, sale and servicing of networking products.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### Contract Balances

Movement in contract Liabilities during the year	Advance from Customers	
	Currency Year	Previous year
<b>Opening Balance</b>	50.37	31.71
Less: Revenue Recognised	41.32	30.13
Add: Amount received	145.68	48.79
<b>Closing Balance</b>	<b>154.73</b>	<b>50.37</b>

### NOTE 27: OTHER INCOME

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Foreign exchange gain / (loss) (net)	69.04	47.69
Interest on income tax refund	2.79	0.36
Sundry debtors written back	-	15.70
Other Support Services	-	18.47
Miscellaneous Income	2.42	0.55
Liabilities no longer required written back	-	8.70
Gain on derecognition of RoU assets	2.72	-
Gain on sale of property, plant and equipment (net)	51.71	0.64
Scrap Income	-	0.85
<b>Total</b>	<b>128.68</b>	<b>92.96</b>

### NOTE 28: FINANCE COSTS

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest on bank overdraft account	40.00	42.27
Interest on Term Loan	35.04	5.55
Interest on deposits	1.13	0.29
Interest on delayed payments to MSME Vendors	0.16	0.09
Interest on others	4.43	1.88
Interest on loan from directors	65.71	4.91
Interest on lease liabilities	25.44	15.87
<b>Total</b>	<b>171.91</b>	<b>70.86</b>

### NOTE 29: IMPAIRMENT OF FINANCIAL INSTRUMENTS

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>On Financial instruments measured at FVTOCI</b>		
Investment in Preference Shares	0.26	4.78
<b>Total</b>	<b>0.26</b>	<b>4.78</b>

### NOTE 30: PURCHASE OF STOCK-IN-TRADE

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Networking products	7,899.88	2,439.35
<b>Total</b>	<b>7,899.88</b>	<b>2,439.35</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 31: COST OF MATERIAL CONSUMED

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventory at the beginning of the year	586.70	244.46
Add: Purchases	6,275.69	2,946.72
Less: Inventory at the end of the year	(1,047.56)	(586.70)
<b>Total</b>	<b>5,814.83</b>	<b>2,604.48</b>

### NOTE 32: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Inventories at the beginning of the year</b>		
Finished goods		
- Manufactured	2.50	0.17
- Traded	817.60	435.19
Work-in-progress	0.39	0.84
	<b>820.49</b>	<b>436.20</b>
<b>Less: Inventories at the end of the year</b>		
Finished goods		
- Manufactured	68.04	2.50
- Traded	1,663.40	817.60
Work-in-progress	515.73	0.39
	<b>2,247.17</b>	<b>820.49</b>
<b>Changes in inventories of finished goods, work-in-progress and traded goods</b>	<b>(1,426.68)</b>	<b>(384.29)</b>

### NOTE 33: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and wages	1,499.90	1,285.24
Contribution to provident and other funds (Refer note 42)	51.09	48.06
Staff welfare expenses	85.84	39.72
Gratuity expenses (Refer Note 42)	16.24	11.72
<b>Total</b>	<b>1,653.07</b>	<b>1,384.74</b>

### NOTE 34: DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment (refer note 11)	269.50	200.73
Amortization on Intangible Assets (refer note 12)	3.71	13.33
Depreciation on Investment Property (refer note 10)	25.39	25.40
<b>Total</b>	<b>298.60</b>	<b>239.46</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 35: OTHER EXPENSES

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Lease Rent and License Fees	36.77	8.62
Repairs and maintenance		
- Machinery	10.70	0.89
- Others	239.35	59.16
Communication Expenses	18.23	18.35
Printing and stationery Expenses	6.09	2.57
Advertisement and publicity Expenses	201.96	89.46
Director's fees	40.10	34.70
Auditor's fees and Expenses (Refer footnote 1)	26.94	23.33
Legal and Professional charges (Refer footnote 1)	355.28	192.82
Insurance charges	56.05	57.76
Consumption of store and spares	36.47	14.62
Power and fuel	130.78	97.16
Rates and taxes	54.60	25.12
Servicing Expenses	38.84	9.81
Warranty provision movement	9.30	4.24
Computer consumables, software and maintenance charges	56.00	38.81
Office Expenses	42.24	27.46
Bank charges and commission	16.84	10.67
Freight Outward	121.66	84.41
Travel and conveyance expenses	113.58	62.65
Application, Registration & Filing Fees	14.87	10.04
Provision for advance paid to supplier	-	13.86
Bad debts written off	0.22	1.32
Expected Credit Loss on trade receivables for time value of money	5.82	4.96
Expenditure on Corporate Social responsibility (Refer Note 63)	10.67	12.89
Sundry Balance written off	4.53	1.20
Production Linked Incentive Income written off	135.77	-
Miscellaneous Expense	55.19	38.35
<b>Total</b>	<b>1,838.85</b>	<b>945.23</b>

#### Footnotes:

##### 1. Payment to Auditors

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Charged to Auditor's fees and expenses</b>		
Statutory audit fees including GST expensed	25.17	22.17
Reimbursement of expenses including GST expensed	0.40	0.51
	<b>25.57</b>	<b>22.68</b>
Other certification fees including GST expensed	1.37	0.65
<b>Total</b>	<b>26.94</b>	<b>23.33</b>



## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 36: INCOME TAX

#### (A) Deferred tax relates to the following:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets</b>		
On account of timing difference in retiral and other employee benefits	23.62	17.31
on account of fair value of financial assets designated at FVTOCI	1.71	14.12
Provision for doubtful debts / advances	7.30	7.84
On disallowance u/s 40a of Income Tax Act, 1961	14.95	10.98
On business losses	519.09	549.51
On provision for slow moving stock	42.72	26.46
On VRS Compensation	8.52	17.03
Others	15.60	12.81
	<b>633.51</b>	<b>656.06</b>
<b>Deferred tax liabilities</b>		
On property, plant and equipment	160.36	155.78
on account of fair value of financial assets designated at FVTPL	206.12	173.07
Other temporary differences	-	-
	<b>366.48</b>	<b>328.85</b>
<b>Deferred tax liability (Net)</b>	<b>267.03</b>	<b>327.21</b>

#### (B) Reconciliation of deferred tax assets/ (liabilities) (net):

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening balance as of 1 April	327.21	(81.89)
Tax assets / (liabilities) recognized in Statement of Profit and Loss	(65.68)	408.39
Tax assets / (liabilities) recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	5.49	0.71
On preference shares and bonds	-	-
<b>Closing balance as at 31 March</b>	<b>267.03</b>	<b>327.21</b>

#### (C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Tax liability		
Tax asset	(65.68)	408.39
<b>Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss</b>	<b>(65.68)</b>	<b>408.39</b>

#### (D) Income tax expense reported in the statement of profit or loss

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
- Current tax	334.89	108.42
- Adjustments in respect of current income tax of previous year	(49.72)	6.90
- Deferred tax charge / (income)	65.68	(408.39)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>350.85</b>	<b>(293.07)</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### (E) Income tax expense charged / (credit) to OCI

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Net fair value (gain)/loss on debt securities	-	-
Net loss/(gain) on remeasurements of defined benefit plans	(5.49)	(0.71)
<b>Income tax expense charged / (credit) to OCI</b>	<b>(5.49)</b>	<b>(0.71)</b>

### (F) Reconciliation of tax charge

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit before tax	2,274.79	738.53
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	572.52	185.87
Tax effects of:		
- Item not deductible for tax / (taxable)	105.07	(344.73)
- brought forward losses adjustments	(133.52)	(141.11)
- deferred tax assets on taxable business losses	-	-
- CSR expenditure not allowed for tax purpose	1.92	
- Leasehold land amortisation not claimed in Income tax	2.02	
- Others	(53.38)	
Effect of unrecognized deferred tax assets (net)	(94.06)	-
Earlier year adjustment	(49.72)	6.90
<b>Income tax expense</b>	<b>350.85</b>	<b>(293.07)</b>

### NOTE 37: BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CFS)

- a) The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of Indian Accounting Standard (IndAS) 21, 'Consolidated Financial Statements' (IndAS) 110, as notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The CFS comprises the financial statements of Smartlink Holdings Limited and its subsidiaries. References in these notes to Smartlink, Company, Companies, Parent Company or Group shall mean to include Smartlink Holdings Limited or any of its subsidiaries, unless otherwise stated. The notes and significant accounting policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies which represent the required disclosure.

The list of subsidiaries included in the consolidated financial statements are as under:

Name of the Company	Nature of business	% of shareholding
Digisol Systems Limited	Developing, manufacturing, selling, marketing and servicing of various categories of Networking and Information Technology (IT) products.	100%
Synegra EMS Limited	Manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business).	100%

- b) During the year, the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated March 3, 2023 has approved the 'Scheme of Amalgamation ('Scheme')' of a Subsidiary namely Telesmart SCS Limited (Telesmart) (Transferor Company) with another Subsidiary namely Digisol Systems Limited (Transferee Company) with appointed date April 1, 2022. Digisol Systems Limited has filed the certified copy of the said order along with the requisite form with the Registrar of Companies, Goa on May 4, 2023 (effective date).

The effects of the 'Scheme' has been accounted for in the books of accounts of Digisol Systems Limited in accordance with the Scheme and is in accordance with the Indian Accounting Standards.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 38: EARNINGS/(LOSS) PER SHARE

Basic earnings /(loss) per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Ordinary equity shareholders</b>		
Profit / (Loss) attributable to ordinary equity holders	1,923.94	1,038.74
Weighted average number of equity shares in lakhs	99.75	104.94
Face Value per share	2	2
Basic earnings per share (INR)	19.29	9.90
Diluted earnings per share (INR)	19.29	9.90

### NOTE 39: PROVISIONS

#### Provision for Warranty

Digisol Systems Limited gives warranties on active products, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Warranty provision is made on the cost of material estimated to be incurred on servicing / replacement of active products in future, considering the warranty period of 3-5 years. The provision is determined taking into consideration the historical data of cost incurred on servicing / rectifying product failures.

Movement of warranty provisions	As at March 31, 2023	As at March 31, 2022
<b>At the beginning of the period</b>	27.32	23.08
Add: Additional provision created	9.30	4.24
Less: Provision written back (net of additions)	-	-
<b>As at the end of the period</b>	<b>36.62</b>	<b>27.32</b>

### NOTE 40: CONTINGENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Bank guarantees given in favour of Electricity Department - Government of Goa	71.61	71.61
Corporate guarantees given in favour of banks on behalf of Digisol Systems Limited (Wholly owned subsidiary)		
HDFC Bank Limited	3,000.00	2,000.00
Bajaj Finance Limited	2,000.00	-
Corporate guarantees given in favour of banks on behalf of Synegra EMS Limited (Wholly owned subsidiary)		
HDFC Bank Limited	1,300.00	1,300.00
Small Industries Development Bank Of India	270.00	-
	6,641.61	3,371.61

### NOTE 41: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account	-	275.04
Non-cancellation lease liabilities (Refer Note 43)	719.96	734.22

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 42: EMPLOYEE BENEFITS

#### (A) Defined Contribution Plans

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss :

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer's Contribution to Provident Fund and Pension Fund	43.64	40.71
Employer's contribution to Employee State Insurance	4.87	5.08
Employer's contribution to National Pension Scheme	2.39	2.17
Employer's contribution to Professional Tax	0.19	0.10
<b>Total</b>	<b>51.09</b>	<b>48.06</b>

#### (B) Defined benefit plans

##### a) Gratuity payable to employees

The Group has a defined benefit gratuity plan and governed by payment of Gratuity Act, 1972. Every employee who has completed five years or more of services is entitled to a gratuity on departure at 15 days of last drawn salary for each completed year of services. The scheme is funded through a policy with LIC.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)		
- Smartlink Holdings Limited	7.20%	7.27%
- Digisol Systems Limited	7.22%	7.36%
- Synegra EMS Limited	7.20%	7.26%
- Telesmart SCS Limited		6.86%
Rate of increase in Salary		
- Smartlink Holdings Limited	6.00%	5.00%
- Digisol Systems Limited	6.00%	5.00%
- Synegra EMS Limited	6.00%	6.00%
- Telesmart SCS Limited		6.00%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
<b>ii) Changes in the present value of defined benefit obligation</b>		
<b>Present value of obligation at the beginning of the year</b>	137.85	112.24
Interest cost	9.88	7.28
Past service cost	-	-
Current service cost	13.34	11.65
Benefits paid	(15.19)	(6.99)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	40.14	12.04
Actuarial (gain)/ loss on obligations - Due to experience	(4.71)	1.63
<b>Present value of obligation at the end of the year</b>	<b>181.31</b>	<b>137.85</b>
<b>iii) Change in the fair value of plan assets:</b>		
Opening fair value of plan assets	104.99	104.70
Adjustment to Opening Fair Value of Plan Asset	-	0.79
Expected return on plan assets	6.98	7.21
Contributions by employer	25.69	-
Benefits paid	(15.19)	(6.99)
Return on plan assets excluding interest income	0.57	(0.72)
<b>Closing fair value of plan assets</b>	<b>123.04</b>	<b>104.99</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>iv) Expense recognized in the Statement of Profit and Loss</b>		
Current service cost	13.34	11.65
Past service cost	-	
Interest cost	2.90	0.07
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>16.24</b>	<b>11.72</b>

\* Included in Employee benefits expense (Refer Note 33).

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>v) Expense recognized in Other comprehensive income</b>		
Actuarial (gain) / loss on Obligation for the period	35.43	13.67
Return on plan assets excluding interest income	(0.57)	0.72
<b>Net actuarial (gains) / losses recognised in OCI</b>	<b>34.86</b>	<b>14.39</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>vi) Assets and liabilities recognized in the Balance Sheet:</b>		
Present value of obligation as at the end of the year	(181.31)	(137.85)
Fair Value of Plan Assets at the end of the year	123.04	104.99
<b>Net asset / (liability) recognized in Balance Sheet*</b>	<b>(58.27)</b>	<b>(32.86)</b>

\*Included in provision for employee benefits (Refer note 15 and 19)

vii) Expected contribution to the fund in the next year INR 17.37 lakhs

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
1% increase	161.29	200.25	121.74	152.44
1% decrease	200.27	160.99	152.33	121.41

(Amount in INR lakhs, unless otherwise stated)

ix) Maturity profile of defined benefit obligation

Year	As at March 31, 2023	As at March 31, 2022
Year 1	2.41	2.11
Year 2	1.01	1.92
Year 3	1.23	0.92
Year 4	16.82	1.18
Year 5	4.73	14.48
Year 6 to 10	86.58	60.98

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 43: LEASES

#### (A) Operating leases where Group is a lessee:

When the intermediate lessor enters into the sublease which is classified as Operating lease, It retains the lease liability and the Right-of-Use asset (RoU) relating to the head lease in its statement of financial position. During the term of the sublease, the intermediate lessor: Recognises a depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sublease.

Further Ind AS 116 requires inclusion of variable lease payments based on Index or a rate.

Variable lease payments based on an index or a rate: Variable lease payments based on an index or a rate (for example, linked to a consumer price index, a benchmark interest rate or a market rental rate) are part of the lease liability. From the perspective of the lessee, these payments are unavoidable, because any uncertainty relates only to the measurement of the liability but not to its existence. Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date (instead of forward rates/indices). This means that an entity does not forecast future changes of the index/rate; these changes are taken into account at the point in time in which lease payments change. However, based on management's estimates that lease payment increases 10% after a period of a period of three years. Therefore, based on management judgement, estimates and conservative approach it is estimated, lease liability has been calculated based on these estimated cash flows.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
<b>Balance as on April 01, 2021</b>	140.10	1.93	142.03
Additions	-	-	-
Depreciation	28.83	0.63	29.46
Deletions	-	-	-
<b>Balance as on March 31, 2022</b>	<b>111.27</b>	<b>1.30</b>	<b>112.57</b>
Additions	220.21	7.59	227.80
Depreciation	46.89	1.42	48.31
Deletions	23.17	0.81	23.98
<b>Balance as on March 31, 2023</b>	<b>261.42</b>	<b>6.66</b>	<b>268.08</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the movement in lease liabilities during for the year ended March 31, 2023:

Particulars	Amount
Balance as on April 01, 2021	209.95
Additions	-
Deletion/Derecognition	-
Finance cost accrued during the period	15.87
Payment of lease liabilities	(42.26)
<b>Balance as on 31 March, 2022</b>	<b>183.56</b>

Particulars	Amount
Balance as on 01 April 2022	183.56
Additions	220.21
Deletion/Derecognition	(25.86)
Finance cost accrued during the period	25.44
Payment of lease liabilities	(62.94)
<b>Balance as on 31 March, 2023</b>	<b>340.41</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	67.33	35.85
One to five years	230.43	72.30
More than five years	797.75	809.69
<b>Total</b>	<b>1,095.51</b>	<b>917.84</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease rentals paid on short term leases for Current Year INR NIL (March 31, 2022 INR NIL)

### (B) Operating leases where Group is a lessor:

The Group has entered into cancellable operating leases on its investment property portfolio consisting of certain office and manufacturing buildings. These leases have terms of between 11 months to 60 months. Certain leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The total rental income on assets given on operating leases amounts to INR 69.32 lakhs for the year ended March 31, 2023 (March 31, 2022 INR 37.73 lakhs).

Future minimum rentals receivables under operating leases as at March 31 are, as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	74.77	34.27
After one year but not more than five years	146.02	23.29
More than five years	-	-

### NOTE 44: RELATED PARTY DISCLOSURES:

#### (A) Names of related parties and description of relationship as identified and certified by the Group:

##### Enterprise over which key management person is able to exercise significant influence.

Mr. Kamalaksha R. Naik (HUF)

##### Key Management Personnel (KMP)

Mr. Kamalaksha R. Naik - Executive Chairman

Mr. Krishnanand M. Gaonkar - Non Executive Independent Director

Mr. Bhanubhai R. Patel - Non Executive Independent Director

Mr. Pankaj M. Baliga - Non Executive Independent Director

Mr. Pradeep A. Rane - Non Executive Independent Director

Ms. Arati K. Naik - Executive Director

Mr. Nitin A. Kunkolienkar - Non Executive Director (Synegra EMS Limited)

Mr. Ray Chang - Non Executive Director (Telesmart SCS Limited)

Mr. K. G. Prabhu - Chief Financial Officer

Mrs. Urjita Damle - Company Secretary

Mr. Edlan Fernandes - Company Secretary - Synegra EMS Limited

Mr. Pradeep Pande - Non-Executive Director (ceased w.e.f January 04, 2022 - Smartlink Holdings Limited & Synegra EMS Limited)

Mr. Natarajan Sankara - Non-Executive Director (w.e.f. April 01, 2021 upto June 30, 2021 - Synegra EMS Limited)

Mr. Prabodh Vyas - Non-Executive Director (retired w.e.f. August 31, 2021 - Digisol Systems Limited)

##### Relatives of key management personnel :

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Mrs. Lakshana A. Sharma

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### (B) Details of transactions with related party in the ordinary course of business for the year ended:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personnel	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personnel
<b>Salary</b>				
Mr. K. G. Prabhu				
Short-term employee benefits		56.18	-	35.87
Post-employment benefits		0.22	-	0.22
Mrs. Urjita Damle				
Short-term employee benefits		16.28	-	13.59
Post-employment benefits		0.22	-	0.22
Mr. Edlan Fernandes				
Short-term employee benefits		5.96	-	-
Post-employment benefits		0.20	-	-
<b>Director Sitting Fees</b>				
Mr. Krishnand M. Gaonkar		10.55		7.00
Mr. Pankaj M. Baliga		8.55		5.00
Mr. Pradeep A. Rane		5.50		4.50
Mr. Bhanubhai R. Patel		11.00		7.50
Mr. Pradeep G. Pande		-		3.00
Mr. Nitin A. Kuncolienkar		1.50		2.50
Mr. Nataranjan Sankara		-		0.50
Mr. Ray Chang		3.50		2.00
Mr. Prabodh Vyas		-		1.00
<b>Rent Expense</b>				
Ms. Aarti K. Naik	-	2.40	-	2.40
<b>Interest on Loan</b>				
Mr. Kamalaksha R. Naik	-	65.71	-	4.91
<b>Loan taken</b>				
Mr. Kamalaksha R. Naik	-	-	-	430.00
<b>Loan repaid</b>				
Mr. Kamalaksha R. Naik	-	480.00	-	500.00
<b>Consideration paid for Buyback of Shares</b>				
Mr. Kamalaksha R. Naik	-	-	-	1,877.05
Mr. Kamalaksha R. Naik (HUF)	-	-	40.36	-
Ms. Aarti K. Naik	-	-	-	375.41
Mrs. Sudha K. Naik	-	-	-	187.70
Mrs. Lakshana A. Sharma	-	-	-	319.10

#### Balances due from and due to related parties

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Amount due to related party as on:</b>		
<b>Key Management Personnel</b>		
Mr. Kamalaksha R Naik	1,250.00	1,730.00

#### Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.



## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 45: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash, bank balances, short-term deposits, other short-term receivables, trade payables, other current liabilities and other financial liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.
2. The fair value of non-current financial assets comprising of term deposits at amortised cost using Effective Interest Rate (EIR) are not significantly different from the carrying amount.
3. The fair value of Lease liabilities are calculated based on cash flows discounted using a current lending rate. They are classified at level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

### NOTE 46: FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

#### Fair value measurement hierarchy of assets and liabilities

Particulars	Fair value hierarchy	As at March 31, 2023	As at March 31, 2022
<b>FINANCIAL ASSETS</b>			
<b><u>Financial assets measured at amortized cost</u></b>			
Investments in Debt securities	Level 3	4,551.90	5,056.62
Fixed Deposits	Level 3	1,537.31	-
Security Deposits	Level 3	28.13	29.24
Trade receivables	Level 3	4,040.51	1,715.80
<b><u>Financial assets measured at Fair Value through Other Comprehensive Income</u></b>			
Investments in Debt securities	Level 2	-	49.30
<b><u>Financial assets measured at fair value through profit or loss</u></b>			
Investments in mutual funds	Level 2	6,191.41	5,915.92
<b>FINANCIAL LIABILITIES</b>			
Financial liabilities measured at amortised cost	Level 3	25.36	9.56
Lease Liabilities	Level 3	340.41	183.56
Asset retirement obligation	Level 3	8.58	7.92

There have been no transfers between Level 1 and Level 2 during the period

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 47: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risk interest rate risk and price risk.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Group's position with regards to interest income, treasury team manages the interest rate risk by diversifying its portfolio across tenures.

##### (ii) Price risk

The Group's exposure to securities arises from investments held by the Group and classified in the Balance Sheet as fair value through OCI

##### (iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the holding Company's functional currency).

(a) The Company's exposure to foreign currency risk at the end of the year is as follows:

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade Receivables	USD	104.21	68.79
Trade Payables	USD	1,165.81	583.10
	JPY	-	284.47

##### (b) Foreign currency sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease against the US Dollar /JPY. 1% is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of 1% strengthening against USD - Decrease in loss	12.70	6.52
Impact of 1% weakening against USD- Increase in loss	12.70	6.52
Impact of 1% strengthening against JPY - Decrease in loss	-	2.84
Impact of 1% weakening against JPY- Increase in loss	-	2.84

#### (B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily arises from cash equivalents, trade receivables, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

For trade receivables, credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

For other financial assets and investments, the Company has an investment policy which allows the Company to invest only with counterparties having a good credit rating. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counterparty limits maybe updated as and when required subject to approval of Board of Directors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts as mentioned in Note 5, 6, 7, 8, and 13.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### (C) Liquidity risk

The Group's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Group believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Group has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Group carries a negligible liquidity risk.

### NOTE 48: SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker. The Group's chief operating decision maker is the Executive-Chairman.

#### (A) Segment information for primary reporting (by business segment)

The group has two reportable business segments

(i) Investment : Earning income through dividends, interest, rentals and gains on Investment in securities and properties.

(ii) Networking products : Developing, manufacturing, marketing, distributing and servicing of networking products.

#### Information about primary segments

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Segment Revenue (net):</b>		
(a) Investment	954.50	909.37
(b) Networking Products	15,490.18	7,103.23
<b>Total</b>	<b>16,444.69</b>	<b>8,012.60</b>
Less: Inter-segment Revenue	(139.42)	(62.42)
<b>Total Income from Operations (net)</b>	<b>16,305.26</b>	<b>7,950.18</b>

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Segment Profit / (Loss) before finance cost, tax and minority interest:</b>		
(a) Investment	1,854.28	115.44
(b) Networking Products	549.41	724.67
<b>Total</b>	<b>2,403.69</b>	<b>840.11</b>
Add/ (Less):- Other un-allocable expenditure net-off un-allocable income	43.01	(30.72)
<b>Operating Profit / (Loss)</b>	<b>2,446.70</b>	<b>809.39</b>
Add / (Less):		
(i) Finance Costs (net)	(171.91)	(70.86)
(ii) Income Taxes	(350.85)	293.07
(iii) Share of loss attributable to Minority Interest.	-	7.14
<b>Profit / (Loss) after finance cost, tax and minority interest</b>	<b>1,923.94</b>	<b>1,038.74</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Capital Employed</b>		
<b>Segment Assets</b>		
(a) Investment	15,360.68	14,675.14
(b) Networking Products	9,785.67	4,765.59
(c) Un-allocated	1,016.51	1,446.90
<b>Total Assets</b>	<b>26,162.86</b>	<b>20,887.63</b>
<b>Less: Segment Liabilities</b>		
(a) Investment	321.05	275.70
(b) Networking Products	7,464.31	4,102.97
(c) Un-allocated	27.20	13.70
<b>Total Liabilities</b>	<b>7,812.56</b>	<b>4,392.37</b>
<b>Total Capital Employed</b>	<b>18,350.30</b>	<b>16,495.26</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Capital expenditure</b>		
<b>Addition to fixed assets</b>		
(a) Investment	121.82	207.28
(b) Networking Products	518.06	418.73
(c) Un-allocated	-	-
<b>Total Assets</b>	<b>639.88</b>	<b>626.01</b>
<b>Depreciation and Amortisation</b>		
(a) Investment	102.22	108.31
(b) Networking Products	196.38	131.15
(c) Un-allocated	-	-
<b>Total</b>	<b>298.60</b>	<b>239.46</b>
<b>Material non cash expenditure other than Depreciation and amortisation</b>		
(a) Investment	-	-
(b) Networking Products	6.73	(11.65)
(c) Un-allocated	-	-
<b>Total</b>	<b>6.73</b>	<b>(11.65)</b>

### (B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Group is the geographical segment based on location of customers, which is as follows:

- i) Domestic
- ii) Export

Information about secondary segments

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Revenue from customer</b>		
- Domestic	15,764.67	7,320.67
- Export	540.59	629.51
<b>Total</b>	<b>16,305.26</b>	<b>7,950.18</b>
<b>Segment Assets</b>		
- Domestic	26,058.65	20,818.84
- Export	104.21	68.79
<b>Total</b>	<b>26,162.86</b>	<b>20,887.63</b>
<b>Addition to fixed assets during the year</b>		
- Domestic	639.88	626.01
- Export	-	-
<b>Total</b>	<b>639.88</b>	<b>626.01</b>

### NOTE 49:

The Group has not given Loans or Advances in the nature of loans to Promoters, Directors, Key Management Personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 50: CAPITAL-WORK-IN PROGRESS (CWIP)

#### (a) For Capital-work-in progress ageing schedule

31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	215.70	-	215.70

### NOTE 51: INTANGIBLE ASSETS UNDER DEVELOPMENT

The Group does not have any Intangible assets under development during the current year and the previous year.

### NOTE 52: DETAILS OF BENAMI PROPERTY HELD

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

### NOTE 53: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

Monthly returns / statements are filed with such Banks/ financial institutions are in agreement with the books of account.

### NOTE 54: WILFUL DEFAULTER

The Group has not been declared a wilful defaulter by any bank or financial Institution.

### NOTE 55: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956.

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### NOTE 56: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

### NOTE 57: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

### NOTE 58: UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 59:

The Parent Company is a Non Banking Financial Company - Non-Systemically Important Non-Deposit taking Company as per the Reserve Bank of India circular RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17. Thus, the following analytical ratios are not applicable to the Company.

1. Capital to risk-weighted assets ratio (CRAR)
2. Tier I CRAR
3. Tier II CRAR
4. Liquidity Coverage Ratio.

### NOTE 60: UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### NOTE 61: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### NOTE 62: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The Holding Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution -(Non Public Deposit Accepting) with Reserve Bank of India (RBI).

The holding company does not have any borrowings in the nature of loans and advances from Banks, financial institutions and others and is cash surplus. The subsidiary companies in the group have borrowings from banks and from directors. Overall the consolidated equity of the Group is in excess of the borrowings. The cash surpluses of the Holding Company are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with investment policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Objective of investment policy is to provide safety and adequate return on the surplus funds.

### NOTE 63:

As per provisions of section 135 of Companies Act 2013, the Group was required to spend INR 10.20 lakhs (March 31, 2022: INR 13.76 lakhs) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent INR 10.91 lakhs (including excess of earlier year) (March 31, 2022: INR 14.00 lakhs) towards Corporate Social Responsibility activities as under:

A.	Particulars	As at March 31, 2023	As at March 31, 2022
	Gross Amount required to be spent as per Section 135 of the Act	10.20	13.76
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	10.20	13.76
B.	Amount approved by the Board to be spent during the year	10.90	16.35
C.	<b>Amount spent during the year on</b>		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	10.67	12.89
D.	<b>Details related to amount spent</b>		
	Particulars	As at March 31, 2023	As at March 31, 2022
	<b>(i) Construction / acquisition of any asset</b>		-
	<b>(ii) On purpose other than (i) above</b>		
	- Installation of Networking products in various schools	-	2.50
	- Prime Minister's National Relief Fund	0.25	1.51
	- Promoting healthcare	-	0.57
	- Education purpose	10.42	8.31
	<b>Total</b>	<b>10.67</b>	<b>12.89</b>

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### E. Details of excess CSR expenditure

Nature of Activity	Balance excess as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2023
- On purpose other than Construction / acquisition of any asset	(0.24)	10.20	10.67	(0.71)

Nature of Activity	Balance excess as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2022
- On purpose other than Construction / acquisition of any asset	(1.11)	13.76	12.89	(0.24)

### F. Disclosures on Shortfall

Particulars	March 31, 2023	March 31, 2022
Amount Required to be spent by the Company during the year	10.20	13.76
Actual Amount Spent by the Company during the year	10.67	12.89
PY Excess adjusted during the CY	0.24	1.11
Shortfall/(Excess) at the end of the year	(0.71)	(0.24)
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	-	-

#### NOTE 64:

Disclosure required under Schedule III of Companies Act, 2013

Name of the Entity	Year ending	Net Assets, i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Smartlink Holdings Limited (Consolidated)	31.03.2023	100.00	18,350.30	100.00	1,923.94	100.00	1,894.57
	31.03.2022	100.00	16,500.07	100.00	1,038.74	100.00	1,024.71
<b>Parent</b>							
Smartlink Holdings Limited	31.03.2023	109.45	20,084.77	92.21	1,774.08	93.82	1,777.53
	31.03.2022	110.97	18,309.51	278.74	2,895.35	282.33	2,893.03
<b>Subsidiaries</b>							
Digisol Systems Limited	31.03.2023	13.14	2,410.61	23.04	443.17	22.35	423.36
	31.03.2022	12.77	2,107.59	97.38	1,011.67	98.59	1,010.14
Synegra EMS Limited	31.03.2023	6.32	1,159.77	(3.89)	(74.76)	(4.63)	(87.76)
	31.03.2022	1.50	247.53	0.97	10.04	(0.15)	(1.50)
Telesmart SCS Limited	31.03.2023	-	-	-	-	-	-
	31.03.2022	(0.48)	(79.12)	(3.43)	(35.68)	(3.32)	(33.97)
<b>Minority Interests in subsidiaries</b>							
Telesmart SCS Limited	31.03.2023	-	-	-	-	-	-
	31.03.2022	(0.03)	(4.81)	(0.69)	(7.14)	(0.70)	(7.14)
<b>Elimination and Adjustment due to Consolidation</b>	31.03.2023	(28.91)	(5,304.85)	(11.36)	(218.55)	(11.54)	(218.56)
	31.03.2022	(24.73)	(4,080.63)	(272.97)	(2,835.50)	(276.75)	(2,835.85)
<b>Total</b>	31.03.2023	100.00	18,350.30	100.00	1,923.94	100.00	1,894.57
	31.03.2022	100.00	16,500.07	100.00	1,038.74	100.00	1,024.71

## Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

### NOTE 65:

Synegra EMS Limited (Synegra), subsidiary Company had received approval under the Production Linked Incentive (PLI) to promote Telecom and Networking Products manufacture in India (the PLI scheme) on October 14, 2021 from the Competent Authority. Under the PLI scheme Synegra had recognised an income of INR 135.77 lakhs in the previous financial year ended March 31, 2022 on fulfilment of the conditions for eligibility of incentive under the PLI scheme.

During the current year, on October 31, 2022 Synegra had received approval under the extended PLI scheme and the Board of Directors of Synegra at their meeting held on November 2, 2022 had approved the exit from the erstwhile PLI scheme and opting for the extended PLI scheme. Consequently, Synegra had derecognised the said incentive of INR 135.77 lakhs and charged the amount to other expenses in the quarter ended September 30, 2022.

Further for the year ended March 31, 2023 on fulfilment of the conditions for eligibility of incentive under the extended PLI scheme, the Company has recognised incentive of INR 280 lakhs.

### NOTE 66:

As at March 31, 2023, the Group did not have any outstanding long term derivative contracts (previous year INR NIL).

### NOTE 67:

There were no whistleblower complaints received during the FY 2022-23.

### NOTE 68:

Event after reporting date:-

There have been no events after the reporting date that require disclosure in these financial statements.

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As per my report of even date

#### For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

#### Abhishek Pachlangia

Partner

Membership No. 120593

Mumbai, dated: May 17, 2023

For and on behalf of the Board of Directors of

#### Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

#### K. R. Naik

Executive Chairman

DIN: 00002013

#### K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 17, 2023

#### Arati Naik

Executive Director

DIN: 06965985

#### Urjita Damle

Company Secretary

ICSI Membership No: 24654







**Smartlink Holdings Ltd.**

**Registered Office:**

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