

August 27, 2022

To,
The Manager-Corporate Relationship Dept.
BSE Limited,
Listing Department
P. J. Towers, 1st 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 2021-22 and Notice convening the 29th Annual General Meeting

Dear Sir/Madam,

We wish to inform you that the 29th Annual General Meeting (“AGM”) of the Company will be held on Friday, September 23, 2022 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 2021-22 together with the Notice of 29th Annual General Meeting 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, September 16, 2022, 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, September 20, 2022, at 10:00 a.m. (IST) and ends on Thursday, September 22, 2022, at 5:00 p.m. (IST). Detailed instructions pertaining to remote e-Voting are provided in Notice of the AGM.

The Notice of the 29th AGM and Annual Report for the Financial year 2021-22 of the Company is also available on the website of the Company at www.smartlinkholdings.com.

Kindly take the aforesaid information on record.

Thanking You,

Yours Faithfully,

For **SMARTLINK HOLDINGS LIMITED**

URJITA DAMLE
COMPANY SECRETARY

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

Corporate Office : 215 Atrium, 2nd Floor, B-Wing, Courtyard Marriott Compound, Andheri-Kurla Road, Andheri (E), Mumbai - 400 093, INDIA
Land Phone : +91 22 4938 6666

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, GA, 403722, IN | Land Phone : +91 832 2885400 | Fax : +91 832 2783395
www.smartlinkholdings.com

SMARTLINK HOLDINGS LIMITED

CIN: L67100GA1993PLC001341

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Ninth Annual General Meeting of Smartlink Holdings Limited will be held on Friday, September 23, 2022 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, 2022, together with the Report of the Board of Directors and Auditors thereon;

2. Appointment of Ms. Arati Naik (DIN 06965985) as Director, liable to retire by rotation

To appoint a Director in place of Ms. Arati Naik (DIN 06965985) who retires by rotation and being eligible, offers herself for re-appointment.

3. Appointment of Statutory Auditors

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the basis of recommendation of the Audit Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded to appoint M/s Shridhar & Associates, Chartered Accountants having Firm Registration Number 134427W as Statutory Auditors of the Company for a period of four consecutive years from the conclusion of the 29th Annual General Meeting (AGM) until the conclusion of the 33rd Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT Mr. K. R. Naik, Executive Chairman, Mr. K. G. Prabhu, Chief Financial Officer and Ms. Urjita Damle, Company Secretary of the Company, be and are hereby authorized severally on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for giving effect to this resolution and to file necessary e-Forms with Registrar of Companies.”

By order of the Board
For Smartlink Holdings Limited

Urjita Damle
Company Secretary

Place : Verna, Goa
Dated : May 11, 2022
Regd. Office: L-7, Verna Industrial Estate,
Verna Salcete Goa - 403722

NOTES:

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 3 of the Notice is annexed hereto.
The relevant details, pursuant to Regulations 26(4) and 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”) are also mentioned.
- 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.
- 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.
- 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
- 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.
- In view of the relaxations given by MCA vide circular dated May 05, 2022 and SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 pursuant to the COVID-19 Pandemic, 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 2021-22 will also be available on the Company's website 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 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, except in case of request received for transmission or transposition of securities. In view of this 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.
8. The Register of members and share Transfer Books of the Company shall remain closed from Friday, September 09, 2022 to Thursday, September 15, 2022 (both days inclusive).
9. 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. 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 the date of 28th Annual General Meeting of the Company held on September 30, 2021 on the website of IEPF viz. (www.iepf.gov.in) and under "Investor Relations" on the website of the Company viz. www.smartlinkholdings.com.
10. 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).
11. 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.
12. 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.
13. 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.
14. Registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost.
15. The Company has designated Company.Secretary@smartlinkholdings.com e-mail id for quick Redressal of shareholders/investors grievances.
16. 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.
17. 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.
18. All the Members wishing to ask questions during the 29th Annual General Meeting should forward them to the registered office, 7 days before the date of Annual General Meeting.
19. In Compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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.
20. 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.
21. 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).
22. 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 scrutiner'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.
23. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (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"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> a) Visit URL: https://eservices.nsdl.com b) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. c) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" 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. 2. User not registered for IDeAS e-Services: <ol style="list-style-type: none"> a) To register click on link: https://eservices.nsdl.com b) Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Proceed with completing the required fields. d) Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL: <ol style="list-style-type: none"> a) Open URL: https://www.evoting.nsdl.com/ b) Click on the icon "Login" which is available under 'Shareholder/Member' section. 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. 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. e) On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest: <ol style="list-style-type: none"> a) Visit URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com b) Click on New System Myeasi c) Login with your registered user id and password. d) The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. e) Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest: <ol style="list-style-type: none"> a) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration b) Proceed with completing the required fields. c) Follow the steps given in point 1. 3. Alternatively, by directly accessing the e-Voting website of CDSL: <ol style="list-style-type: none"> a) Visit URL: www.cdslindia.com b) Provide your demat Account Number and PAN No. c) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. d) After successful authentication, user will be provided links for the respective ESP, i.e. KFinTech where the e-Voting is in progress.
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. 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. 3. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.

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 evoting@nsdl.co.in or Call at toll free no.:1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or Contact at 022- 23058738 or 022-23058542-43

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://emeetings.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 through VC / OAVM 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.bhat@gmail.com with a copy marked to 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, September 22, 2022 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 einward.ris@kfintech.com.
 - Alternatively, member may send an e-mail request at the email id einward.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, September 20, 2022 at 10:00 a.m. and ends on Thursday, September 22, 2022 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, September 16, 2022 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 able to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll at AGM.
 - 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, September 16, 2022.
 - 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 the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. Friday, September 16, 2022 or does not have his/her email id registered, may write to the KFin on the email id evoting@kfintech.com or to Mrs. C Shobha Anand, Contact No. 1800 309 4001, 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 of this Notice to cast the vote.
 - In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.kfintech.com> (KFin's website) or contact Mrs. C Shobha Anand, Contact No. 1800 309 4001 at [Unit: Smartlink Holdings Limited] KFin Technologies Limited, Kfintech Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.
- In this regard, please find below USER ID and Password for remote e-voting:

EVEN (E-Voting Event Number)	USER ID	PASSWORD

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the ordinary business mentioned in the accompanying Notice of Annual General Meeting:

Item No. 3

The Reserve Bank of India ("RBI") had vide Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks, Urban Co-operative Banks & NBFCs (including HFCs) ["RBI Circular/Guidelines"]. As per the said RBI Guidelines read together with the Frequently Asked Questions ("FAQs"), one audit firm could concurrently take up statutory audit of a maximum of eight NBFCs during a particular year. M/s MSKA & Associates (FRN 105047W), Chartered Accountants, Mumbai, erstwhile Statutory Auditors of the Company were appointed as Statutory Auditors of the Company at the 26th Annual General Meeting (AGM), to hold office from the conclusion of the 26th AGM until the conclusion of the 30th AGM. As on the date of coming into effect of the said RBI Circular, M/s MSKA & Associates then Statutory Auditors of the Company had reached the maximum limit for the number of audits to be undertaken in the financial year 2021-22. Therefore, considering the requirements under the said Guidelines and the related FAQs, they had communicated their resignation as Statutory Auditors of the Company effective December 10, 2021.

After considering various aspects on credentials and past experience of the audit firm and based on the recommendation of the Audit Committee, the Board at its Meeting held on December 10, 2021, inter alia, approved the appointment of M/s Shridhar and Associates (SAA), Chartered Accountants, Firm Registration Number 134427W as the Statutory Auditors of the Company to fill the casual vacancy caused by M/s MSKA & Associates, to hold office upto the conclusion of the Twenty-Ninth Annual General Meeting of the members of the Company. Further, the company had obtained the approval of shareholders through Postal Ballot vide Postal Ballot Notice dated December 10, 2021 for the Appointment of M/s Shridhar & Associates as Statutory Auditors of the Company to fill Casual Vacancy which was approved by the shareholders with requisite majority on January 14, 2022.

Further, based on the recommendations of the audit committee the Board had also approved the appointment of SAA as Statutory Auditors of the Company for a period of 4 (Four) consecutive years of the first term, from the conclusion of the 29th Annual General Meeting upto the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2026, to conduct the Audits for the financial year 2022-23 to 2025-26, subject to approval of Members of the Company.

The approval of Members of the Company is sought for appointment of SAA, Chartered Accountants as Statutory Auditors of the Company, for a period of 4 (Four) consecutive years, to hold office from conclusion of the 29th Annual General Meeting upto the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2026.

Brief Profile of Auditors:

M/s Shridhar and Associates is a Peer Reviewed Chartered Accountants Firm with Headquarters in Mumbai registered with the Institute of Chartered Accountants of India with Registration No. 134427W having 16 years of experience. It is empaneled with Indian Banking Association. SAA is professionally equipped firm which provides a full range of end-to-end solutions in BFSI sector. SAA has strong team of CAs/CSs/ CPA/DISA qualified professionals having in depth knowledge across auditing, accounting advisory, finance, valuations, IT, Mergers Acquisitions Restructuring. SAA has 3 offices in Mumbai, Delhi, and Bangalore & 7 international joint ventures in 6 locations USA, UK, Mauritius, Dubai, Hongkong and Singapore which provide services to MNC clients.

The Company has received confirmation from SAA that their appointment, if made, will be within the specified limits under the Act and that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and the said RBI Circular. Further, the statutory auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ('ICAI') and hold valid certificate issued by the Peer Review Board of ICAI.

The Statutory Audit fees paid by the Company to M/s MSKA & Associates was ₹ 12 Lakhs (plus out of pocket expenses, outlays and taxes) for the FY 2021. The aggregate Statutory Audit fees paid to the statutory auditors for FY 2022 was ₹ 13 Lakhs (plus out of pocket expenses, outlays and taxes). It is proposed to pay Statutory Audit fee of ₹ 13 Lakhs p.a. to the Statutory auditors for the FY 2023 and for the period thereafter to be determined by the Board of Directors of the Company. The scope will include issuance of quarterly Limited review reports and audit report on annual financial statements. In addition, the Company would also be availing non-prohibited certification and other services from them. The proposed fee amount is exclusive of other services to be availed by the Company, re-imbursments of out-of-pocket expenses and applicable taxes.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends ordinary resolution as set out at Item No. 3 of this Notice for approval of the Members of the Company.

By order of the Board

Place : Verna, Goa
Date : May 11, 2022

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

Urjita Damle
Company Secretary

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

Name of Director	Ms. Arati Naik
Director Identification Number (DIN)	06965985
Designation/ category of Director	Executive Director
Date of Birth	August 14, 1984
Date of first appointment on the Board	September 09, 2014
Brief Resume	Arati Naik is an Executive Director of the Company. 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.
Disclosure of relationship between Director inter-se	Daughter of Mr. K. R. Naik, Executive Chairman of the Company.
Names of the Public entities in which she/he holds directorships	Digisol Systems Limited
Chairman/Member of the Committee(s) of Board of Directors of other Public Entities	None
Shareholding in the Company (No. of shares)	9,34,833 Equity Shares
No. of Board Meetings attended	6

By order of the Board

Place : Verna, Goa
 Date : May 11, 2022
 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 29th Annual General Meeting of the Company on Friday, September 23, 2022 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 29th Annual General Meeting of the Company, to be held on Friday, September 23, 2022 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
ORDINARY BUSINESS				
1.	To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31 st March, 2022, together with the Report of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Ms. Arati Naik (DIN 06965985) who retires by rotation and being eligible, offers herself for re-appointment.			
3.	To consider and if thought fit, to pass Ordinary Resolution for appointment of M/s Shridhar & Associates, Chartered Accountants (FRN 134427W) as Statutory Auditors of the Company.			

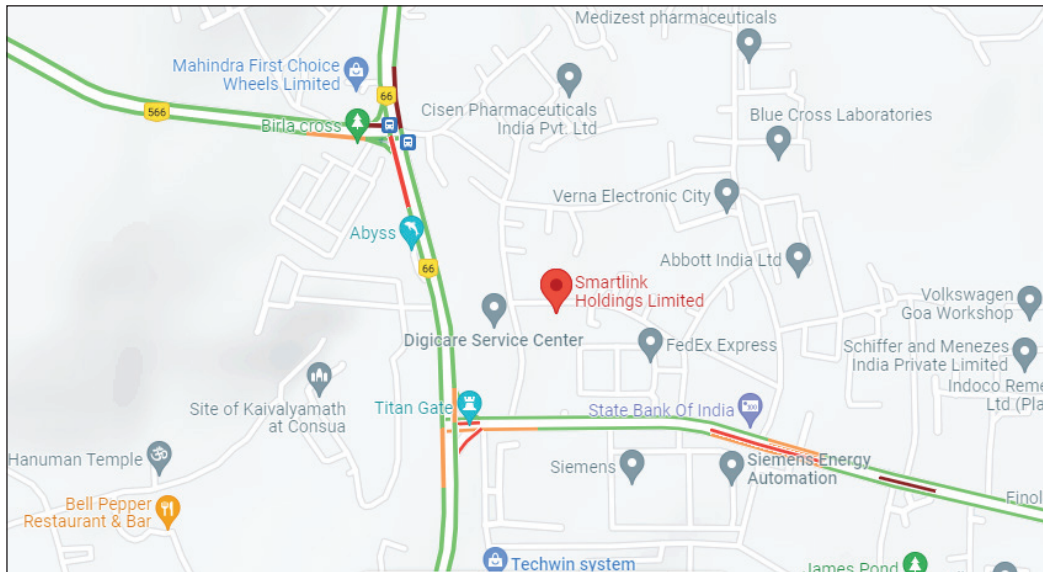
Signed this _____ day of _____, 2022 Signature of shareholder _____

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. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 29th Annual General Meeting.
5. * 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.
6. Please complete all details including details of member(s) in above box before submission.



SMARTLINK HOLDINGS LIMITED

Annual Report 2021-22



Manufacturing Since 1986



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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Chairman's Message



K. R. Naik
Executive Chairman

I wish to put on record my sincere appreciation for the Government's decision to promote local manufacture by offering production linked incentives to manufacturing companies as well as mandating public sector companies to give preference to 'Made in India' products.

Dear Shareholders,

It is my proud privilege and pleasure to present our annual report for the year ended 31st March, 2022.

The year under review was a most challenging one. During the year, businesses continued to go through tough and unprecedented times with the second wave of the pandemic impacting millions of lives. Thankfully, Covid-19 is behind us and businesses have started reopening and things are getting back to normal. While the pandemic created unprecedented socio-economic disruption, yet another challenge was the acute component shortages in our business with almost every company in the industry facing supply issues.

You are well aware that Smartlink Holdings Ltd. is essentially a finance company having investments in Mutual Funds, Bonds/Deposits and Land and Building. It has subsidiaries, namely DIGISOL SYSTEMS LTD., Synegra EMS Ltd. and Telesmart SCS Ltd.

DIGISOL SYSTEMS is our flagship Indian Networking Products Brand Company and is engaged in sales, marketing, maintenance and servicing of a wide range of networking products, throughout India. "DIGISOL" is one of the "Trusted Made in India IT Networking Brand" and was introduced in 2009. DIGISOL SYSTEMS is a pioneer in the marketing of locally manufactured products in Switching, FTTH and Wifi range. The company does import low volume sales products, as their sales volume do not justify local manufacturing.

SYNEGRA EMS is an independent products manufacturing company, in extensive range of active products using its state-of-the-art SMT lines and testing line. During the year, we invested in one additional new state-of-the-art SMT line, and many test Equipments which gives us a further edge in the manufacturing of latest Technology products like Fibre To The Home (FTTH), Wifi Routers and Networking Switches.



In order to boost local manufacturing, the government has announced several incentive schemes and Synegra EMS is amongst the selected companies in the SME category which has been approved under the Production Linked Incentive Scheme (PLI Scheme) for telecom and networking products.

We were among the first companies in India to start manufacturing of FTTH products two years ago from the components level. Unfortunately, the manufacturing activity suffered during the year because of shortage of chips and we are hopeful that things will improve in the current year.

Telesmart SCS is an excellent enterprise range patented ODM Products locally manufacturing company in the structured cabling products.

We having large manufacturing infrastructure, built over last three decades now constantly on a look out to engage with the right ODM partners who can collaborate with us to make use of our infrastructure, manufacturing capabilities and resources and improve our capacity utilisation.

Let me now share the Company's financial performance for the year under review. For the year ended 31st March 2022, the company's Total Income stood at ₹ 3,729.01 Lakhs as against ₹ 1,531.45 Lakhs in the previous year. The company reported Profit After Tax of ₹ 2,893.03 Lakhs as compared to ₹ 514.40 Lakhs in the previous year. On consolidated basis, the Total Income stood at ₹ 8,043.14 Lakhs as compared to ₹ 7,288.50 Lakhs in the previous year; while the Profit After Tax was ₹ 1,017.93 Lakhs as against ₹ 1,041.08 Lakhs in the previous year.

The Company concluded its fourth buyback of 33,25,000 Equity Shares at a price of ₹ 95 per Equity Share for an aggregate consideration of

₹ 3,158.75 Lakhs. Subsequent to the completion of the buyback, the paid-up equity capital of the company stood at ₹ 199.50 Lakhs consisting of 99,75,000 Equity Shares of ₹ 2 each.

We remain optimistic about the future largely because we are among the very few companies in India which have world-class facilities for manufacturing network and telecom products. The Government of India has also recognized the value of local manufacturing and has provided attractive incentives to encourage manufacturing in India. The chip shortage that has been faced by us should also ease with the passage of time.

I wish to put on record my sincere appreciation for the Government's decision to promote local manufacturing by offering production linked incentives to manufacturing companies as well as mandating public sector companies to give preference to 'Made in India' products. It is because of this that we are optimistic about the future.

In conclusion, I would like to express my sincere gratitude to the members of the Board for their continuous guidance and advice. I would also like to acknowledge the continued cooperation, trust and support of our valued customers, shareholders, partners, employees and all other associates who have reposed their trust and confidence in Smartlink.

Thanking you,

Yours sincerely,

K. R. Naik
Executive Chairman

Business Overview

SMARTLINK HOLDINGS LIMITED

Smartlink Holdings Ltd. was in the Networking Products line business for more than three decades and involved in sourcing, manufacturing, sales, marketing and support, etc.

The Company undertook a restructuring exercise in the Financial year 2016-17 and now has three independent subsidiaries, namely, DIGISOL SYSTEMS LTD., Synegra EMS Ltd. and Telesmart SCS Ltd. 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 three 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 leading 'Trusted Made In India IT Networking brand' 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 Scheme every quarter during the year 2022-23.

Active Networking Products

DIGISOL offers a wide range of active networking products with a portfolio encompassing over 160+ 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 & Cat6A), UTP/STP LAN Cables, Patch Panels/ Cords, I/O Faceplates. The fiber range includes Fiber cables, Fiber connectors, couplers, LIU, Fiber patch cords, Fiber Pigtails, 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 the 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 the 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 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 fulfill the network connectivity needs of medium to small businesses and



home networks. The entire range of DIGISOL SCS products are manufactured in India by Telesmart SCS Ltd. and Cables are sourced from Cable vendors manufactured as per our standard and certified by U/L.

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 manner 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 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 is 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 serving for 25 plus years.

SYNEGRA EMS LTD.

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra EMS Ltd is Electronics Manufacturing Services (EMS) Company which caters to IT, Networking, Telecom, Aerospace, Bio Medical, IOT, Electronics, Electrical Vehicle (EV), Medical, Automotive and Defense sectors, etc.

SYNEGRA has large, certified manufacturing facilities in Goa which includes 2 SMT lines (recently upgraded 1 new SMT line), Assembly lines, Testing lines, and is capable of manufacturing all kinds of IT/Telecommunication / Electronic Products like Computer Motherboards, Add on Cards, Networking and Telecommunication Products, Medical devices, etc. 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 electronic brands and companies.



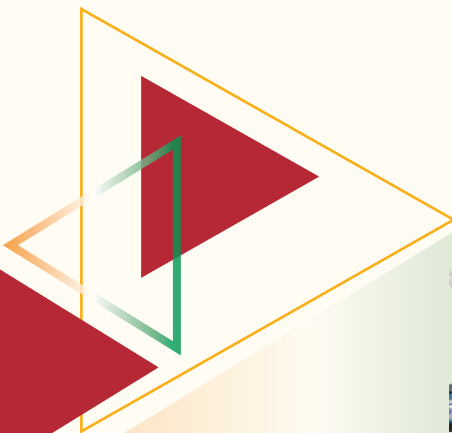
Synegra has widened its activities by venturing into the manufacture of PCBs for Electric Vehicles. It anticipates steady growth with its manufacturing capacity suited for both export as well as domestic markets under the Make in India initiative of the Government of India.

DIGISOL has a Strong Nationwide Presence

45+ Regional Distributors

1000+ System Integrators

800+ Partners





TELESMART SCS LTD.



TELESMART is a subsidiary of SMARTLINK HOLDINGS LTD. with a Taiwan partner having several patents in SCS products in copper connecting parts with high bandwidth applications. The Company has expertise in manufacturing various types of structured cabling products in both copper and fiber range as an ODM supplier to various brand companies. As of now, it supplies the DIGISOL brand to DIGISOL SYSTEMS. TELESMART has state-of-the-art production lines, assembly and testing equipment for copper and fiber products manufacturing designed as per lean concept. It has also set up a Clean Room for Fiber Patch cord manufacturing, where Fiber Cords are manufactured under controlled temperature and clean environment. Fiber products are manufactured and supplied to brand companies like DIGISOL SYSTEMS LTD. The company is also looking for contract manufacturing for its fiber products. TELESMART'S SCS products portfolio includes end-to-end cabling solutions in copper from Cat 5e, Cat 6, Cat6A, STP, FTP, Patch Panels, Patch Cords, and Face Plates. The fiber range includes all kinds of Fiber Patch Cords, Pigtails with performance certificates, and LIUs.

The IT Networking Industry in India is currently a challenging landscape. Data Security of Users is compromised as the Imported Products present a risk of spying and to avoid these pitfalls **DIGISOL a Trusted Made In India Brand** introduced a completely MADE IN INDIA line of IT Networking Products compliant with the Government's MAKE IN INDIA Initiative with the highest specs for ensuring longevity to address Network Security of Users' Data. **DIGISOL** has also introduced a symbol of the **TRUSTED MADE IN INDIA** stamp of authenticity, The GOLD STANDARD that the brand represents for itself, The tricolor arches represent the Indian Flag contributing to the **Nation's Growth** through empowerment, The Roots reinforces its proposition **NETWORKING IS IN OUR DNA** and The Brand above the Networking Roots.



Manufacturing Since 1986



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 31st 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 45 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 40 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 30 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 29th Annual Report along with the audited financial statements for the financial year ended March 31, 2022. 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, 2022, are summarized as under: (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue	909.37	1,493.40	7,950.18	7,026.91
Other income	2,819.64	38.05	92.96	261.59
Profit / (Loss) before depreciation, exceptional items and tax	3,045.87	828.32	977.99	1,187.32
Less: Depreciation for the year	108.31	137.19	239.46	277.99
Less: Exceptional Item	0.00	0.00	0.00	0.00
Profit / (Loss) before tax	2,937.56	691.13	738.53	909.33
Less: Provision for tax				
a) Current tax	108.42	80.48	108.42	80.48
b) Deferred tax	(73.11)	100.77	(408.39)	(201.97)
c) Adjustment of Income Tax of earlier year	6.90	7.93	6.90	7.93
Add/Less: Other Comprehensive Income	(2.32)	12.45	(13.67)	18.19
Profit / (Loss) after tax	2,893.03	514.40	1,017.93	1,041.08
Earnings Per Share (₹)	27.59	3.77	9.90	7.80

Note: The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, 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

During the Financial year, Company achieved net profit of ₹ 2,893.03 Lakhs as compared to ₹ 514.40 Lakhs for the year ended March 31, 2021. The standalone profit before tax increased to ₹ 2,937.56 Lakhs as compared to ₹ 691.13 Lakhs for the year ended March 31, 2021.

The total Income has increased from ₹ 1,531.45 Lakhs for the year ended March 31, 2021 to ₹ 3,729.01 Lakhs for the year ended March 31, 2022. The increase is primarily due to reversal in the impairment of the investment in the wholly owned subsidiary Digisol System Limited amounting to ₹ 2,818.32 Lakhs. Revenue from operations of the Company for the year ended March 31, 2022 stood at ₹ 909.37 Lakhs as compared to ₹ 1,493.40 Lakhs for the year ended March 31, 2021.

2.2 Review of Consolidated Financial Results

During the financial year, the consolidated revenue of the company grew to ₹ 7,950.18 Lakhs as against ₹ 7,026.91 Lakhs for the year ended March 31, 2021. Profit after Tax was ₹ 1,017.93 Lakhs for the year ending March 31, 2022 as compared to profit of ₹ 1,041.08 Lakhs for the year ended March 31, 2021.

During the year under review there is no change in nature of business of 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 ₹ 579.07 Lakhs to the Statutory Reserve maintained under Section 45 IC of the RBI Act, 1934 for the FY 2021-22.

5. SHARE CAPITAL

The Paid-up Equity Capital of the Company as on March 31, 2022 stood at ₹ 1,99,50,000/- consisting of 99,75,000 Equity Shares of ₹ 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 2021-22 to each of the Stock Exchanges, where its equity shares are listed.

6. BUYBACK

Pursuant to the approval of the Board on December 04, 2020 and approval of shareholders through special resolution dated February 10, 2021 passed through postal ballot by e-voting, your Company concluded its fourth buy-back of 33,25,000 Equity Shares at a price of ₹ 95/- per Equity Share for an aggregate consideration of ₹ 3,158.75 Lakhs. The buy-back process was completed and the shares were extinguished on May 27, 2021. The Company's earlier buyback details are given below:

Sr. No.	Opening date	Closing date	Method of buyback	Equity Shares bought back	Price at which bought back
1.	June 6, 2016	June 17, 2016	Tender Offer	74,54,850	110
2.	June 13, 2018	June 26, 2018	Tender Offer	56,00,000	120
3.	October 18, 2019	November 1, 2019	Tender Offer	36,50,000	130

7. ANNUAL RETURN

As provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return for FY 2021-22 is uploaded on the website of the Company and can be accessed at <https://www.smartlinkholdings.com/investor-relations>.

8. 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 Scheduled 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 June 23, 2021 for transacting the business enumerated under the said provisions.

9. 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 ₹ 2,000 Lakhs to Digisol Systems Limited and ₹ 1,300 Lakhs to Synegra EMS Limited.

10. 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 RPT 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 has 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 – H in Form AOC-2 and the same form 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>.

The said Policy was amended by the Audit Committee and the Board of Directors to encompass inter-alia the regulatory changes brought as per amendment in Regulation 23 of Listing Regulations and criteria for material modification of related party transactions.

11. 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, 2022 to the date of the Report.

12. 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.

13. DETAILS OF SUBSIDIARY COMPANIES

The Company has three subsidiaries, namely Digisol Systems Limited, Synegra EMS Limited and Telesmart SCS Limited as on March 31, 2022.

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 – G to the Directors' Report. The statement also provides the details of performance and financial position of each subsidiary.

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report of the Material Unlisted Subsidiary Digisol Systems Limited is annexed to this Report.

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. 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.

The Company has formulated a Policy on Material Subsidiaries 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>.

14. 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.

15. 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) retires by rotation and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the AGM Notice.

At the Annual General Meeting of the Company held on September 30, 2021, 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. Pradeep Anant Rane (DIN 01446215) was re-appointed as an Independent Director of the Company to hold office for a second term of Five consecutive years with effect from August 05, 2021 upto August 04, 2026 at the Annual General Meeting held on September 30, 2021.

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. Cessation

Mr. Pradeep Gopal Pande (DIN 00064518), Independent Director of the Company ceased to be a Director of the Company with effect from January 04, 2022 at the close of business hours due to end of his tenure. Mr. Pande was appointed as Independent Director of the Company for a second term of 2 years with effect from January 05, 2020 upto January 04, 2022.

d. 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.

16. 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.

17. 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.

18. DEPOSITS FROM PUBLIC

The Company has neither invited nor accepted any deposits from the public during the FY 2021-22. The Company does not intend to invite or accept any deposits during FY 2022-23 as such no amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

19. 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 2021-22 is attached herewith as Annexure – B. There are no qualifications, observations or adverse remarks or disclaimer in the said report.

20. 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 ₹ 13.76 lakhs (2%) of the average qualifying net profits of the last three financial years on CSR activities in the FY 2021-22. During the year under review the Company has spent ₹ 14 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 – F to this Report.

21. 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 year 2021-22.

22. 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 for the 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.

23. 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.

24. 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.

25. 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 directors.

26. 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 certificate from Practicing Company Secretary regarding compliance of Conditions of Corporate Governance forms a part of Annual Report as Annexure – C and Annexure – D respectively.

27. 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 – E" to this report.

28. 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 on the end of the FY 2021-22.

29. 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.

30. STATUTORY AUDITOR AND AUDIT REPORTS

Pursuant to Reserve Bank of India ("RBI") Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021, the Board of Directors appointed M/s Shridhar & Associates (FRN 134427W), Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to fill the causal vacancy caused by the resignation of M/s MSKA & Associates, Chartered Accountants (FRN 105047W), to hold office upto the conclusion of the Twenty-Ninth Annual General Meeting of the members of the Company. The said appointment was confirmed by the members of the company through Postal Ballot by remote e-voting on January 14, 2022.

The Board at its meeting held on May 11, 2022 based on the recommendation of the audit committee has further recommended the appointment of M/s Shridhar & Associates, Chartered Accountants having (FRN 134427W) as Statutory Auditors of the Company for the remaining period of four years of the first term, from the 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.

The Notice of ensuing 29th AGM includes the proposal for seeking Members' approval for the re-appointment of Shridhar & Associates as the Statutory Auditors, for the period of 4 (Four) years commencing from the conclusion of the 29th AGM until the conclusion of the 33rd AGM of the Company to be held in the year 2026.

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.

31. 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.

32. 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.

33. 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 end March 31, 2022, 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, 2022 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.

34. 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 ₹ 1.43 Lakhs for the FY 2013-14 which remained unpaid or unclaimed was transferred to the IEPF Authority in the FY 2021-22.

b) Transfer of Shares to IEPF

According to the provisions of 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, 2,501 shares were transferred as per the requirements of IEPF Rules during FY 2021-22.

The following table provides a list of years for which unclaimed dividend and their corresponding shares 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
31.03.2015	14.08.2015	13.09.2022	12.10.2022
31.03.2017	12.08.2017	11.09.2024	10.10.2024

35. 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 Directors and designated employees of the Company.

36. 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.

37. GREEN INITIATIVE

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 29th 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 December 31, 2022 vide SEBI circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022. 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. 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 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.

38. 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
Wholetime Director
DIN: 06965985

Place: Verna, Goa
Date: May 11, 2022

Place: Verna - Goa
Date: May 11, 2022

Annexure-A

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global economic growth is projected to be slowed down from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January World Economic Outlook (WEO).

Beyond 2023, global growth has been forecast to decline to 3.3 percent over the medium term. Russia-Ukraine War increased the commodity prices, and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

The hit to the global economy is still not completely clear yet, and the survey showed that the overall situation remains volatile, and the outlook is uncertain with risks amplified to the downside. According to indicative estimates provided by the participants, global growth could slow down by 50-75 basis points – further moderating the prospects of post covid recovery.

THE INDIAN ECONOMY

India has emerged as the fastest-growing major economy in the world. After 2021 – 2022 the post-COVID-19 Global growth outlooks have shown remarkable growth as well. However, some countries are still facing virus mutations.

As per the fourth, an annual median GDP growth forecast of FICCI's latest Economic Outlook Survey shows 7.4 percent in the year 2022-23. The median growth forecast for agriculture

and allied activities has been put at 3.3 percent for 2022-23. On the other hand, the industry and services sectors are anticipated to grow by 5.9 percent and 8.5 percent respectively. However, downside risks to growth remain escalated. While the threat from the pandemic continues to remain at the fore, the Russia-Ukraine conflict is posing a significant challenge to global recovery.

INDUSTRY OUTLOOK IN INDIA

The Indian Networking Industry:

The Indian networking market will witness an increased momentum in the upcoming cycles due to the revival of the economy and continued increased spending in areas like cloud, security, artificial intelligence, etc. The IT & Business Services market is likely to reach US\$18.97 billion by the end of 2025, growing at a compound annual growth rate (CAGR) of 7.18% between 2020-2025, says IDC. With business activity slowly returning to normalcy and enterprises accelerating their digital transformation efforts to emerge stronger after the crisis and prepare themselves for any such disruptions in the future, their spending on ICT infrastructure, including networking, is expected to recover soon.

Networking services will remain the largest and the fastest growing market segment, by value, in India through the forecast period. Growth in the networking services segment over the forecast period will be led by the fiber optic (FTTH/B) services category. Rising enterprise demand for high-speed broadband services and increasing availability of fiber-optic broadband connectivity nationwide will support growth in FTTH/B services.

The industry players are continuously expanding and innovating their product portfolio to adapt to the technological changes and cater to the growing consumer needs.

THE INDIAN NETWORKING MARKET IN 2021

(Values in USD million)

Particulars	Q1 2021		Q2 2021		Q3 2021		Q4 2021	
	Value	Growth	Value	Growth	Value	Growth	Value	Growth
Ethernet Switch Market	133.3	0.80%	147.5	20.90%	156.1	13.50%	163.1	25.70%
Router Market	72.5	4.70%	81.1	18.60%	83.9	45.40%	75.1	0.1 %
WLAN	58.3	17.30%	50.3	↓7%	59.9	↓1.7%	64.5	4.50%
Indian Networking Market		5.10%		14.10%		17.10%		13.60%

Source: "IDC WLAN AND LAN" tracker report

Active Networking Products:

The Indian Networking Market which comprises of Ethernet Switch, Router and WLAN segments saw a negligible YoY growth of 5.1% in the first quarters of 2021. The second quarter and third quarter saw an increase of 14.10% & 17.10%, while in the 4th quarter we saw a 13.6% year-over-year (YoY) growth. The Ethernet Switch, Router, and WLAN markets are expected to grow in single digits in terms of compound annual growth rate (CAGR) for 2021–2026. 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.

Passive Networking Products:

The Indian market for structured cabling was valued at \$508.0 million in 2020, and it is expected to grow at a CAGR of 11.5% during 2020-2030. The market growth is mainly driven by the increasing demand for copper structured cabling due to the rising need for higher bandwidth and higher transmission rate. Additionally, the government initiatives for 100 smart cities and free Wi-Fi services at railway stations and increasing demand for intelligent buildings are augmenting the market growth.

The COVID-19 pandemic has negatively affected the Indian market for structured cabling. Key industries, including IT & telecommunications, construction, automotive, and manufacturing, were severely impacted due to the lockdowns implemented by the central and state governments. The construction industry is facing challenges such as a decrease in the funding for public projects, closed construction sites, and postponement of ongoing construction projects owing to the disruption in the supply chain and economic uncertainty. Due to this, the demand for structured cabling solutions from new construction projects is expected to decrease in India. *Source: India Structured Cabling Market Research Report by PS Market Research.*

BUSINESS OVERVIEW

SMARTLINK HOLDINGS LIMITED

The income of Smartlink Holdings is mainly from investments and rent income from immovable properties.

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. At Digisol, we strive to push the boundaries with our marketing activities and accord great importance to brand building which will ensure the Company's long-term success. DIGISOL has established its brand positioning as a leading 'Trusted Made In India IT Networking' brand that offers products of global standards, credibility and delivers a fantastic user experience.

Active Networking Products:

Digisol offers a wide range of active networking products with the portfolio encompasses over 160+ 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 introduced new generation Made in India products like GEAPON router & ONUs, networking switches and enterprise wireless products based on the changing needs of the market. These also include products manufactured by the Group's manufacturing arm Synegra EMS.

Passive Networking Products:

DIGISOL cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), UTP/STP LAN Cables, Patch Panels/Cords. The fiber range includes Fiber cables, Fiber connectors, couplers ETC. The Company's cabling products adhere to EIA/TIA, ISO/IEC and UL international standards. ROHS compliant products are backed by international 25 years product performance warranty.

Technology is constantly changing and so are business needs. With the latest technologies like 5G, IoT, Wi-Fi 6, SDN and Cloud coming in, Digisol launched ConvergeX series Future Ready Structured Cabling Solution under its New Digisol Enterprise structured cabling system. These solutions have been helping enterprises build the next generation of business and create paths toward future growth.

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 provides services like Warehousing, Inventory & Distribution management, After sales support, RMA centers, DIGICARE Technical Assistant Center (DTAC), Direct Service Department (DSD). Digicare has embarked on a journey of consolidation and improving customer experience through a new model of service network that offers faster turnaround of customer service.

Management Discussion and Analysis

Digisol's RMA has an all-India network of 63+ DIGISOL service and support centers and has a Technical Call center. Digisol's customer care team supports all India customers on voice, email, and chat.

SYNEGRA EMS LIMITED

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra EMS Ltd is Electronics Manufacturing Services (EMS) Company which caters to IT, Networking, Telecom, Aerospace, Bio Medical, IOT, Electronics, Electric Vehicle (EV), Medical, Automotive and Defense sectors, etc.

SYNEGRA is having large, certified manufacturing facilities at Goa which includes 2 SMT lines (recently upgraded 1 new SMT line), Assembly lines, Testing lines, and capable of manufacturing all kinds of IT/Telecommunication / Electronic Products with highly skilled team for electronics manufacturing including components sourcing.

Synegra provides contract manufacturing services to Digisol Systems Ltd. as well as other electronic brand and companies

TELESMART SCS LIMITED

Telesmart is a subsidiary of Smartlink Holdings Limited and engaged in the business of manufacturing a wide range of Structured Cabling Systems (SCS) products. The Company has its manufacturing facility at Verna, Goa and is in the business of developing, and manufacturing of copper and fiber range of cabling products. The focus of the Company is on contract manufacturing of various structured cabling products in both copper and fiber range.

Telesmart's cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), Patch Panels, Patch Cords and Face Plates. The fiber range includes Fiber Patch Cords, Pig Tails and LIU's.

FINANCIAL PERFORMANCE

i) Standalone Financials:

In the financial year 2021-22, the Company achieved an Income from operations of ₹ 909.37 lakhs as compared to ₹ 1,493.40 lakhs in the previous year.

The Company's Profit after Tax for the year ending March 31, 2022 was ₹ 2,893.03 lakhs as compared to Profit after tax of ₹ 514.40 lakhs in the previous year.

ii) Consolidated Financials:

In the financial year 2021-22, the group achieved an Income from operations of ₹ 7,950.18 lakhs as compared to ₹ 7,026.91 lakhs in the previous year.

Key Financials Ratio:

Particulars	FY 2022	FY 2021
Current Ratio (in %)	52.48	59.59
Operating profit Margin (in %)	82.13	55.79
Net Profit Margin (in %)	77.64	32.78
Return on Net Worth (in %)	16.04	3.58

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 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
- 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, 2022, the Company has 21 employees. Smartlink Group'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

In the event of a severe global slowdown, falling external demand would exert a powerful drag on Asia's economies including India, impacting company's prospects.

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 70% of the components where 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.

Macroeconomic conditions caused by COVID-19 could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy.

SHORTAGE OF COMPONENTS

The Indian electronics industry is highly dependent on China and other Asian countries for the components it needs. With the outbreak of the coronavirus pandemic, many countries, including India are worried about the availability of essential electronic hardware components, as most of these were being supplied by China. The electronics industry has been enduring a component shortage for some time now, caused by problems that have only been exacerbated by the Covid-19 pandemic. There is more demand than ever for electronic devices due to significant investment in the smartphone, automotive and IoT industries resulting in long lead times for the required components and subsidiaries of Smartlink is exposed to the risk of shortage in the availability of critical electronic components.

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, 2022. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Listing Regulations 2015), our audit committee has concluded that, as of March 31, 2022, 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 31ST MARCH, 2022

[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 - 403 722.

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 31st March, 2022 (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 31st March, 2022 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 there under 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 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*);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- vi. The following laws and Regulations 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.

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) MSKA Associates, Statutory Auditors resigned due to reaching of maximum limits for the number of audits to be undertaken for the financial year 2021-22, pursuant to RBI Circular No. DoS.CO.ARG/SEC.01/08.91.001 /2021- 22 dated April 27, 2021. In the casual vacancy so created, M/S Shridhar & Associates, Chartered Accountants were appointed as Statutory Auditors by the Board of Directors. The same was approved by way of Resolution dated 14th January, 2022 pursuant to Section 139 of the Companies Act, 2013, passed through Postal Ballot.
- (b) The company bought back 33,25,000 Equity Shares at Rs.95/- per share. Subsequent to buy back, the paid-up equity share capital of the company has reduced from Rs.266 lakhs to Rs.199.50 lakhs.

Shivaram Bhat

Place: Panaji, Goa
Date : May 11, 2022

Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN:A010454D000304814

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.

Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2022 pertaining to Financial Year 2021-22.

'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 11, 2022

Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN:A010454D000304814

Annexure-C

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
Ms. Arati Kamalaksha Naik	Executive Director
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 seven 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, 2022 has been made by the Directors. None of the Directors are related except Mr. K. R. Naik and Ms. Arati Naik.

During the year under review, Mr. Pradeep Gopal Pande, Independent Director, retired from the post of Director of the Company w.e.f. close of business hours of January 04, 2022 pursuant to end of his term. Mr. Pande was appointed for a second term of 2 years from January 05, 2020 to January 04, 2022.

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 FY 2021-22	Attendance of AGM held on September 30, 2021	No. of other Directorships (As on 31.03.2022) #	No. of Committee Positions in Mandatory Committees®	
					Member	Chairman
Mr. Kamalaksha Naik	EC	6	Yes	3	Nil	Nil
Mr. Krishnanand Gaonkar	NED and IND	5	Yes	2	Nil	Nil
Mr. Pankaj Baliga	NED and IND	6	Yes	1	Nil	Nil
Mr. Bhanubhai Patel	NED and IND	6	Yes	2	Nil	Nil
Mr. Pradeep Rane	NED and IND	5	Yes	1	Nil	Nil
Ms. Arati Naik	ED	6	Yes	1	Nil	Nil
Mr. Pradeep Pande ^	NED and IND	4	No	^	^	^

* 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

^ Mr. Pradeep Pande ceased to be a Director w.e.f close of business hours of January 04, 2022, and during his tenure 4 Board meetings were held. Since he was not Director as of March 31, 2022, details of other directorships/committee positions are not applicable.

- c) The Company held 6 Board Meetings during the FY 2021-22 dated June 30, 2021, August 12, 2021, November 01, 2021, December 10, 2021, February 10, 2022 and March 10, 2022, 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 2021-22, 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 2021-22, one meeting of the Independent Directors was held on June 23, 2021. 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, 2022 are given below:

Name	Category	Number of equity shares
Mr. K. R. Naik	Executive Chairman	46,74,160
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 is 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/2020/03/7.-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 fundamentals 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	✓	✓	✓	✓
Mr. Pradeep Pande*	✓	✓	✓	✓

Note: *Retired from the directorship on January 04, 2022

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, 2022, 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 2021-22 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	5
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 June 30, 2021, August 12, 2021, November 01, 2021, December 10, 2021 and February 10, 2022. 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 30, 2021 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, which should include the following:

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, 2022, 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 2021-22 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	1
Mr. Pankaj Baliga	Independent, Non-Executive	1
Mr. Pradeep Pande*	Independent, Non-Executive	1

Note: *Retired from directorship on January 04, 2022

The Chairman of NRC Committee was present for the Annual General Meeting of the Company held on September 30, 2021 for resolving queries of the shareholders.

Mr. Pradeep Pande, Independent, Non-Executive Director of the Company has retired with effect from close of business hours of January 04, 2022.

b) Meetings during the year

During the FY 2021-22, one Committee meeting of Nomination and Remuneration was held on June 30, 2021.

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 2021-22.

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	₹6,25,000/- per month of which 50% will be fixed pay.	₹1,25,000/- per month
Perquisites/ Allowances	None	HRA of ₹62,500/- per month and other allowances not exceeding ₹ 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 two months' notice in writing.	Either party may terminate the appointment by giving two 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 ₹ 50,000/- for attending each meeting of the Board, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and ₹ 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 (₹)
Mr. Krishnanand Gaonkar	2,50,000
Mr. Pankaj Baliga	3,00,000
Mr. Pradeep Rane	2,50,000
Mr. Bhanubhai Patel	3,00,000
Mr. Pradeep Pande	2,00,000

Note: Board at its meeting held on June 30, 2021 had decided not to accept any sitting fees for the committee meetings to be held for the financial year 2021-22.

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, 2022, 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 2021-22 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 June 23, 2021. 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 2021-22 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	20	20	NIL

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee.

a) Terms of Reference

CSR Committee is primarily responsible for formulating and monitoring the implementation of the CSR Policy of the Company.

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

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 2021-22 are given below:

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

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

During the year one meeting of the CSR Committee was held on June 23, 2021.

Since the amount to be spent by a company under sub-section 135(5) does not exceed fifty lakh rupees, the requirement under sub-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
	September 30, 2021	11.00 a.m.
L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722	December 11, 2020	11.00 a.m.
	September 28, 2019	11.00 a.m.

b) Special Resolutions Passed

1. Special Resolutions passed at the last Annual General Meeting held on September 30, 2021 for:
 - i. Re-appointment of Mr. Pradeep Anant Rane as an Independent Director to hold office for second term of Five consecutive years with effect 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.
2. Special Resolutions passed at the Annual General Meeting held on December 11, 2020 for:
 - 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.
3. Special Resolutions passed at the Annual General Meeting held on September 28, 2019 for:
 - i. Re-appointment of Mr. K. R. Naik as an Executive Chairman of the Company for a further period of 5 years;
 - ii. Re-appointment of Mr. Pankaj Baliga as an Independent Director to hold office for term of five consecutive years;
 - iii. Re-appointment of Mr. K. M. Gaonkar as an Independent Director to hold office for second term of five consecutive years;
 - iv. Re-appointment of Mr. Bhanubhai Patel as an Independent Director to hold office for second term of five consecutive years.

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

Particulars	Details
Type of Meeting	Postal Ballot
Date of Postal Ballot Notice	Friday, December 10, 2021
Voting Period	Thursday, December 16, 2021 – 10:00 am IST to Friday, January 14, 2022 – 05:00 pm IST
Type of Resolution	Ordinary Resolution
Details of Voting Pattern	Votes in favour: 7005369 (100%) Votes against: 63 (0.00%)
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of Declaration of result	Saturday, January 15, 2022
Item of Resolution passed through Postal Ballot	Appointment of M/s Shridhar & Associates, Chartered Accountants (ICAI Firm Registration Number: 134427W) as Statutory Auditors of the Company to fill casual Vacancy

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	www.smartlinkholdings.com
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 : September 23, 2022

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 1st and ends on March 31st every year. For the year ending March 31, 2023, the results will be announced as per the tentative schedules below:

Particulars	Date*
First Quarter Results	On or before August 14, 2022
Second Quarter Results	On or before November 14, 2022
Third Quarter Results	On or before February 14, 2023
Fourth Quarter Results	On or before May 30, 2023

* 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 Friday, September 09, 2022 to Thursday, September 15, 2022 (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.

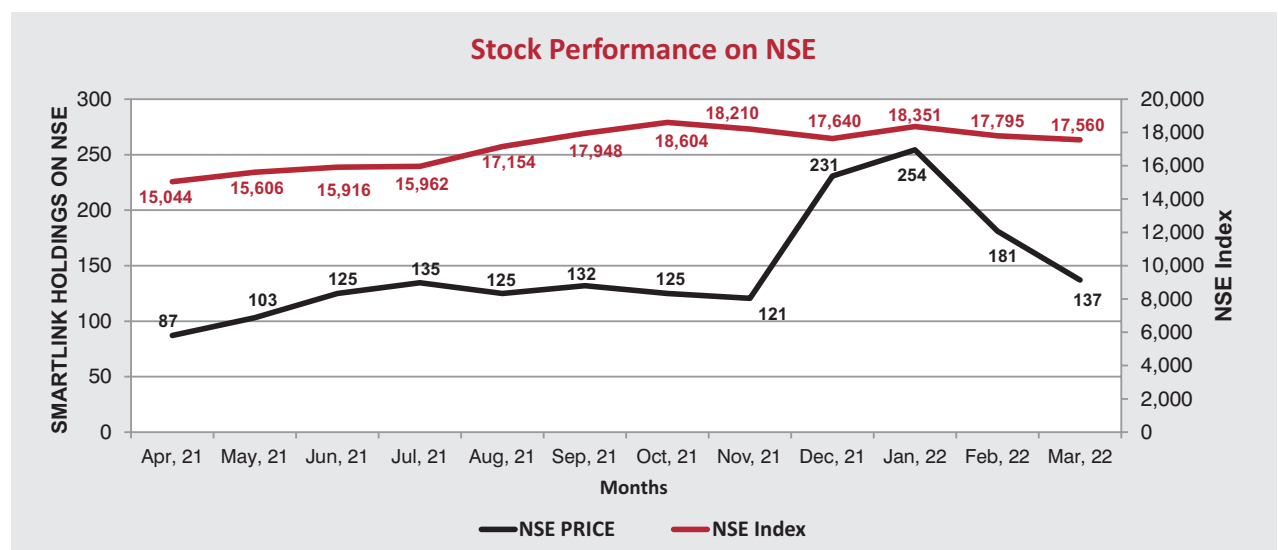
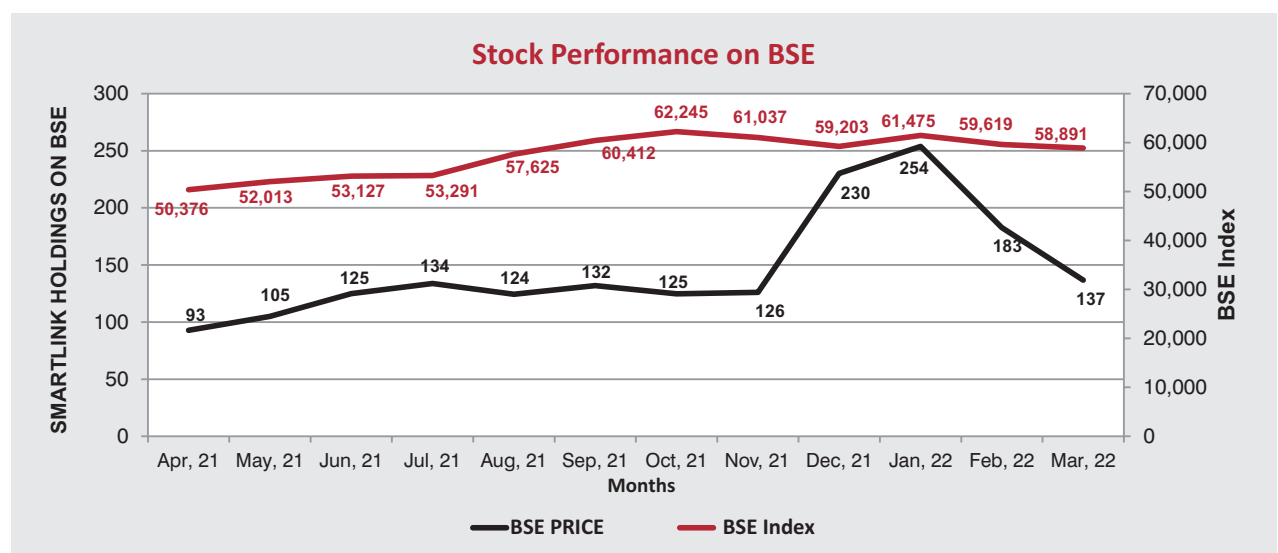
The listing fees were paid to the stock exchanges.

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 2021-22 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, 21	92.80	78.10	50,376	47,205	87.10	78.10	15,044	14,151
May, 21	104.95	82.45	52,013	48,028	103.15	84.00	15,606	14,416
Jun, 21	125.00	92.00	53,127	51,451	124.90	92.80	15,916	15,451
Jul, 21	133.80	108.50	53,291	51,803	134.55	108.60	15,962	15,513
Aug, 21	124.40	96.25	57,625	52,804	124.85	96.05	17,154	15,835
Sep, 21	131.85	101.90	60,412	57,264	131.90	101.20	17,948	17,055
Oct, 21	124.80	110.00	62,245	58,551	124.90	110.50	18,604	17,453
Nov, 21	126.10	99.00	61,037	56,383	120.50	100.20	18,210	16,782
Dec, 21	230.25	100.05	59,203	55,133	230.75	101.00	17,640	16,410
Jan, 22	253.80	162.75	61,475	56,410	254.35	162.40	18,351	16,837
Feb, 22	182.70	121.10	59,619	54,383	181.00	118.00	17,795	16,203
Mar, 22	136.80	112.85	58,891	52,261	137.00	113.10	17,560	15,671



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

i) Share Transfer System

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 held in physical form, 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.

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, 2022

Sr. No.	Category (Shares) From – To	Number of shareholders	No. of Shares	% to Equity Capital
1.	1-500	13,034	11,04,097	11.06
2.	501-1000	435	3,53,071	3.53
3.	1001-2000	193	2,94,967	2.95
4.	2001-3000	58	1,45,778	1.46
5.	3001-4000	20	70,160	0.70
6.	4001-5000	26	1,23,154	1.23
7.	5001-10000	36	2,78,626	2.79
8.	10001 and above	29	76,05,147	76.24
Total		13,831	99,75,000	100

k) Shareholding Pattern as on March 31, 2022

Sr. No.	Category of Shareholders	Total Holdings	Holdings in %
1.	Promoter and Promoter Group	69,71,511	69.89
2.	Financial Institutions / Banks/ Trusts	0	0.00
3.	Bodies Corporate	2,62,071	2.63
4.	Foreign Portfolio Investors	32,960	0.33
5.	Individuals	26,28,078	26.34
6.	Clearing Members	15,590	0.16
7.	NRI's	45,195	0.45
8.	NBFC	0	0.00
9.	IEPF account	19,595	0.20
TOTAL		99,75,000	100

l) Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on March 31, 2022 is 99,63,491 representing 99.88% 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

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	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
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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, 2022. The Certificate is part of this report;
- i) There are no instances where the board had not accepted any recommendation of any committee of the board which is mandatorily required, for the financial year ended March 31, 2022;
- 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 of the Consolidated Financial Statement;
- k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Number of complaints filed during the financial year – Nil;
 - Number of complaints disposed off during the financial year – Nil;
 - Number of complaints pending as on 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) Compliance with Non-Mandatory Requirements
- The Board of Directors:
The Company has an Executive Chairman. No separate office is maintained for Non-Executive Chairperson and the expenses incurred by Executive Chairman during performance of duties are reimbursed.
 - 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.
 - Modified opinion in audit reports:
During the year under review, there were no audit qualifications on the Company's financial statements.
 - 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.
- n) 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;
- o) 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 2021-22.

Annexure - D

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 31st March 2022.

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 11, 2022

Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454D000304792

Annexure - E

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	N.A.	N.A.
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.	N.A.
6.	Mr. Bhanubhai Patel - Independent Director	Nil	Nil
7.	Mr. Pradeep Pande - Independent Director	Nil	Nil
8.	Ms. Urjita Damle - Company Secretary	N.A.	24%
9.	Mr. K. G. Prabhu - Chief Financial Officer	N.A.	20%

Notes:

- Mr. Krishnanand Gaonkar, Mr. Pradeep Rane, Mr. Pankaj Baliga, Mr. Bhanubhai Patel and Mr. Pradeep Pande were paid sitting fees for attending the Meetings.
 - Mr. Pradeep Pande, Independent Director retired from the post of Director with effect from January 04, 2022 at the close of business hours.
 - There was no Remuneration paid to Mr. Kamalaksha Naik, Executive Chairman during the Financial year ended 31st March, 2022 as well as for the previous financial year.
 - There was no Remuneration paid to Ms. Arati Naik, Executive Director during the Financial year ended 31st March, 2022.
- III. The percentage increase in the median remuneration of employees in the 2021-22 is 16%;
 - IV. The number of permanent employees on the rolls of Company as on March 31, 2022 were 21;
 - 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 25%;
 - 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-F

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Committee was constituted at the Meeting of the Board of Directors held on November 12, 2014 in accordance with the provisions of Section 135 of the Companies Act, 2013. CSR policies are to actively contribute to the social and economic development of the Country. In so doing and built a better, sustainable way of life, to contribute effectively towards inclusive growth and raise the Country's human development index. Our project focuses on education, healthcare, relief to the families incase of natural calamities, animal welfare and social reforms.

The Company has also formulated a CSR Policy and the same is displayed on the website of the Company at: <https://www.smartlinkholdings.com/wp-content/uploads/2020/03/3.-Corporate-Social-Responsibility-Policy.pdf>

2. The Composition of the CSR Committee – Not Applicable
3. Average net profit of the Company for last three financial years: ₹ 688.14 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 13.76 Lakhs
5. Amount carried forward from last year's CSR expenditure: ₹ 1.11 Lakhs
6. Details of CSR spent during the financial year;

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where the projects or program was undertaken	Amount outlay (budget) project programs wise	Amount spent on the programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure Upto the reporting period	Amount Spent Direct or through implementing agency
1	Shree. Mahalasa Narayani Primary School	Promoting Education	Local Area	12.3	10.36	10.36	Direct
2	COVIEDSHIELD vaccines (Healthcare)	Promoting Healthcare	Local Area	1.60	0.57	0.57	Direct
3	Sharada English High School	Promoting Education	Local Area	0.45	0.45	0.45	Direct
4	Contribution to PM NRF	--	--	2.00	1.51	1.51	Direct

7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

Not applicable

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

K. R. Naik
Executive Chairman

Bhanubhai Patel
Director

Annexure-G

FORM NO. 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 Lakhs)

Sr. No	Particulars	Details	Details	Details
1.	Name of the subsidiary	Digisol Systems Limited	Synegra EMS Limited	Telesmart SCS Limited
2.	The date since when subsidiary was acquired	17 th August, 2016	17 th August, 2016	17 th November, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	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.	N.A.
5.	Share capital	410.00	1,500.00	360.00
6.	Reserves & surplus	1,697.59	(1,252.47)	(439.12)
7.	Total assets	3,689.58	2,589.65	309.54
8.	Total Liabilities	1,581.99	2,342.12	388.66
9.	Investments	-	-	-
10.	Turnover	6,618.46	2,559.27	583.33
11.	Profit/Loss before taxation	679.00	10.04	(38.29)
12.	Provision for taxation	332.67	-	2.61
13.	Profit/Loss after taxation	1,011.67	10.04	(35.68)
14.	Other comprehensive income	(1.53)	(11.54)	1.71
15.	Total Comprehensive Income for the year	1,010.14	(1.50)	(33.97)
16.	Proposed Dividend	-	-	-
17.	Extent of shareholding (In percentage)	100	100	80

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

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure - H

FORM NO. AOC-2

(Pursuant to clause (h) of sub-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 2021-22. 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: Verna - Goa

Date : May 11, 2022

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) 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 31st March, 2022 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 the 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 11, 2022

Practicing Company Secretary
ACS 10454, CP 7853, PR 1775/2022
UDIN: A010454D000304759

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, 2022, 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

K. R. Naik
Executive Chairman
DIN: 00002013

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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

Plot No. L-7, Verna Industrial Estate,
Verna, Salcette, South Goa, 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 31st March, 2022 (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 31st March, 2022 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 (*Not applicable to the Company during the audit period*);
- 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.

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.

Place: Panaji, Goa

Date: May 06, 2022

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454D000277204

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.

Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2022 pertaining to Financial Year 2021-22.

'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 06, 2022

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454D000277204

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, 2022, 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, 2022, 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, 2022 (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.

1. Valuation of Investments in Bonds and Mutual Funds

Refer Note 10 to the standalone Financial Statements.

As at March 2022, the Company has investments of Rs. 10,972.53 Lakhs in mutual funds and bonds which constitutes about 72.92% of the total assets of the company. During the year, the Company has recognised Rs. 343.48 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, 2022.
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2022.
- 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. 6,140.87 lakhs as on March 31, 2022. These investments are valued at cost less provision for impairment.

During the year, the Company has reversed the provision for impairment of Rs. 2,818.32 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, 2022.
- 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.

Those 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other matters

The standalone financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated June 30, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

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 B" 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 Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 C".

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 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, 2022.
 - 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. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For Shridhar & Associates

Chartered Accountants
ICAI Firm Registration No. 134427W

Abhishek Panchalgia

Partner
Membership No. 120593
UDIN: 22120593AITKEG1331

Place : Verna, Goa
Date : May 11, 2022

Annexure A to the Independent Auditor's Report OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the 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.

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

Abhishek Panchalgia
Partner
Membership No. 120593
UDIN: 22120593AITKEG1331

Place : Verna, Goa
Date : May 11, 2022

Annexure B to the Independent Auditor's Report

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[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, 2022]

- 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 and 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. 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.
- iii. According to the information explanation provided to us, the Company has not made any investments in, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for following guarantee and security provided to subsidiaries
 - (a) The details of guarantees and security to subsidiaries are as follows (Amount in Rs. Lakhs):

Particulars	Guarantees	Security
Aggregate amount granted/provided during the year		
- Subsidiaries	1,300.00	610.00
Balance Outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	3,300.00	1,336.00

- (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 and securities given 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, 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.
- 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, 2022 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) to (f) 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, associates or joint ventures.
- (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, joint ventures or associate companies.
- 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, 2022, 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 required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. as Non-banking financial institution without accepting deposits vide certificate 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.
- 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 resignation of the statutory auditor during the year and we have taken into consideration of issues, objections or concerns raised by the outgoing auditor.
- 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.
- 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 Panchalgia
Partner
Membership No. 120593
UDIN: 22120593AITKEG1331

Place : Verna, Goa
Date : May 11, 2022

Annexure C 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, 2022]

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, 2022 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, 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, 2022, 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.

Place : Verna, Goa
Date : May 11, 2022

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

Abhishek Panchalgia
Partner
Membership No. 120593
UDIN: 22120593AITKEG1331

Standalone Balance Sheet as at March 31, 2022

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	5	31.10	40.30
Bank balance other than cash and cash equivalents	6	1,082.58	461.20
Receivables			
(i) Other Receivables	7	75.38	89.01
Investments	10	15,047.52	16,705.05
Other financial assets	8	25.23	24.61
Non-financial Assets			
Current Tax assets (net)	9	56.75	42.57
Investment property	11	1,467.85	1,315.14
Property, plant and equipment	12	840.39	1,091.44
Capital work-in-progress	43	215.70	215.70
Intangible assets	13	-	4.65
Other non-financial assets	14	64.85	63.85
Total Assets		18,907.35	20,053.52
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
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		44.44	82.96
Borrowings (Other than debt securities)	16	180.22	196.64
Other financial liabilities	17	52.77	101.22
Non-Financial Liabilities			
Provisions	18	5.35	5.19
Deferred tax liabilities (net)	31	311.26	385.15
Other non-financial liabilities	19	3.80	2.56
EQUITY			
Equity share capital	20	199.50	266.00
Other equity	21	18,110.01	19,013.80
Total Liabilities and Equity		18,907.35	20,053.52

See accompanying Notes forming part of the Standalone financial statements 1-60

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

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

Arati Naik

Executive Director

DIN: 06965985

K. G. Prabhu

Chief Financial Officer

Urjita Damle

Company Secretary

ICSI Membership No.24654

Verna-Goa, dated: May 11, 2022

Verna-Goa, dated: May 11, 2022

Statement of Standalone Profit and Loss for the year ended March 31, 2022

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
INCOME			
Revenue from operations			
Interest Income	22	466.74	472.00
Rental Income	36B	90.53	140.36
Fees and commission Income	23	9.62	5.89
Net gain on fair value changes	24	342.48	875.15
Total revenue from operations		909.37	1,493.40
Other Income	25	2,819.64	38.05
Total income		3,729.01	1,531.45
EXPENSES			
Finance costs	26	16.70	26.15
Impairment on financial instruments	27	4.78	-
Employee benefits expenses	28	276.48	283.50
Depreciation and amortisation expense	29	108.31	137.19
Others expenses	30	385.18	393.48
Total expenses		791.45	840.32
Profit / (Loss) before tax		2,937.56	691.13
Tax Expense:			
- Current Tax		108.42	80.48
- Deferred Tax		(73.11)	100.77
- Taxes adjustment for earlier year		6.90	7.93
Total tax expense	31F	42.21	189.18
Profit / (Loss) for the year		2,895.35	501.95
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		(3.10)	9.28
Income tax relating to above		0.78	(2.34)
Subtotal (A)		(2.32)	6.94
B. Items that will be reclassified to profit or loss			
Net fair value gain/ (loss) on financial instruments		-	7.37
Income tax relating to above		-	(1.86)
Subtotal (B)		-	5.51
Other Comprehensive Income (A + B)		(2.32)	12.45
Total Comprehensive Income for the year		2,893.03	514.40
Basic and diluted Earnings per share (Nominal value per share INR 2)	32	27.59	3.77

See accompanying Notes forming part of the Standalone financial statements 1-60
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

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

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, 2022

(Amount in INR Lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Cash flow from operating activities		
Net Profit before tax	2,937.56	691.13
Adjustments for:		
Depreciation and amortisation expense	108.31	137.19
Interest on income tax refund	-	(12.26)
Loss / (Profit) on Property, plant and equipment sold / written off (net)	(0.46)	(1.00)
Net gain on fair value changes	(342.48)	(875.15)
Reversal of Impairment on Investment	(2,818.32)	-
Impairment on financial instruments	4.78	-
EIR impact of security deposits and rent amortization	(0.60)	(1.47)
EIR impact of interest income on bonds	6.84	0.35
Waiver of lease rental payments	-	(8.38)
Unrealised Foreign exchange difference (net)	(0.01)	(0.03)
Finance costs	16.70	26.15
Guarantee commission	(9.62)	(5.89)
Gain on derecognition of financial instrument measured at amortised cost	-	(14.69)
Operating (loss) before working capital changes	(97.30)	(64.05)
Changes in working capital		
(Increase) / Decrease in Investments	4,816.72	477.25
(Increase) / Decrease in Fixed deposits with Banks	(621.39)	(385.06)
(Increase) / Decrease in Other Receivables	13.63	0.57
(Increase) / Decrease in Other financial assets	(0.02)	17.83
(Increase) / Decrease in Other non-financial assets	(1.01)	(16.82)
Increase / (Decrease) in trade payables	(38.51)	44.32
Increase / (Decrease) in Other financial liabilities	(49.75)	33.76
Increase / (Decrease) in Other non-financial liabilities	1.24	(6.86)
Increase / (Decrease) in provisions	(2.93)	0.60
Cash generated from operations	4,020.68	101.54
Net Income tax (paid)	(129.50)	(1.27)
Net cash flows from operating activities (A)	3,891.18	100.27
Cash flow from Investing activities		
Purchase of property, plant and equipment and investment property	(5.32)	(9.90)
Proceeds from Sale of property, plant and equipment and intangible assets	0.46	1.00
Net cash flows (used in) investing activities (B)	(4.86)	(8.90)
Cash flow from Financing activities		
Buyback of Company's equity shares	(3,158.75)	-
Tax on Buyback of Company's equity shares	(704.57)	-
Interest payments	(0.75)	(3.54)
Cash Payment for the principal portion of lease payments	(31.46)	(52.79)
Net cash flows (used in) financing activities (C)	(3,895.53)	(56.33)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(9.21)	35.04
Cash and cash equivalents at the beginning of the year	40.30	5.23
Effect of exchange differences on restatement of foreign currency Cash and bank balance	0.01	0.03
Cash and cash equivalents at the end of the year	31.10	40.30
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	28.88	37.54
Cash on hand	2.22	2.76
Total cash and cash equivalents at end of the year	31.10	40.30

(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	15.04	(67.29)
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See accompanying Notes forming part of the Standalone financial statements 1-60

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

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

Arati Naik
Executive Director
DIN: 06965985

Urjita Damle
Company Secretary
ICSI Membership No: 24654

Statement of Standalone Changes in Equity for the year ended March 31, 2022

(Amount in INR Lakhs, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening	13,300,000	266.00	13,300,000	266.00
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	(3,325,000)	(66.50)	-	-
Closing	9,975,000	199.50	13,300,000	266.00

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, 2020	92.95	220.04	334.10	5,567.20	12,292.40	(4.05)	(3.24)	18,499.40
Profit for the year	-	-	-	-	501.95	-	-	501.95
Other comprehensive income / (loss)	-	-	-	-	-	6.94	5.51	12.45
Total Comprehensive Income for the year	-	-	-	-	501.95	6.94	5.51	514.40
Transfer to Statutory Reserve	-	100.39	-	-	(100.39)	-	-	-
Balance at March 31, 2021	92.95	320.43	334.10	5,567.20	12,693.96	2.89	2.27	19,013.80

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)	-	-	-
Balance at March 31, 2022	92.95	899.50	400.60	5,567.20	11,146.92	0.57	2.27	18,110.01

Notes forming part of the Standalone financial statements for the year ended March 31, 2022

(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, 2022 were approved for issue by company's Board of Directors on May 11, 2022.

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 and Companies (Indian Accounting Standards) Amendment 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 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

Under Ind AS 109 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 greater of the net selling price 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 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

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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 subsidiary

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.

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.

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

(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.

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.

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

(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:

- 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.

2.17 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, 2022 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.

(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.

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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:

4.1 Standards (including amendments) issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

4.2 Standards that became effective during the year

There are no new Standards that became effective during the year. The Company has applied certain amendments that became effective during the year which are discussed below:

(a) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

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

(b) Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

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

(c) Ind AS 116: COVID-19 related rent concessions

"MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

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

(d) Ind AS 103: Business combination

The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definition of asset and liability given in the framework for preparation and presentation of financial statements with Indian Accounting standards rather than the conceptual framework. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

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

(e) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

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, 2022	As at March 31, 2021
Cash on hand	2.22	2.76
Balances with banks		
On current accounts	28.88	37.54
Total	31.10	40.30

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2022	As at March 31, 2021
In Fixed deposit with maturity for more than 12 months*	1,044.26	428.26
Accrued interest on fixed deposit	34.18	25.90
Unpaid dividend accounts	4.14	7.04
Total	1,082.58	461.20

- *1. Includes INR 72.45 lakhs (March 31, 2021 INR 71.61 lakhs) held as margin money against bank guarantee.
 2. Includes INR 330.00 lakhs (March 31, 2021 INR 330.00 lakhs) held against corporate guarantee to bank for credit facilities availed by Digisol Systems Limited.
 3. Includes INR 610.00 lakhs (March 31, 2021 INR NIL) held against corporate guarantee to bank for credit facilities availed by Synegra EMS Limited.

NOTE 7: RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Others Receivables		
Considered good (Refer Note 37 below)	75.38	89.01
From related parties :		
Digisol Systems Limited	14.26	18.73
Synegra EMS Limited	25.44	25.44
Telesmart SCS Limited	32.72	32.72
	72.42	76.89
From others:	2.96	12.12
Total Receivables	75.38	89.01

Receivables ageing

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Undisputed Trade receivables – considered good		
Unbilled Dues	-	-
Not Due	1.65	1.77
Less than 6 months	15.57	34.72
6 months - 1 year	0.60	31.57
1-2 years	44.61	20.95
2-3 years	12.95	-
More than 3 years	-	-
Total	75.38	89.01

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.

Notes forming part of the Standalone financial statements

NOTE 8: OTHER FINANCIAL ASSETS

(Amount in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits (Gross)	31.92	31.00
Less: Provision for impairment loss	(7.99)	(7.99)
Security Deposits (Net)	23.93	23.01
Advance to employees	1.30	1.60
Total	25.23	24.61

NOTE 9: CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of taxes and tax deducted at source (net of provisions for taxation of INR 1,966.33 lakhs (March 31, 2021: INR 1,851.01 lakhs))	56.75	42.57
Total	56.75	42.57

NOTE 10: INVESTMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Investments measured at Cost		
Subsidiaries	6,140.87	5,080.85
Investments measured at amortised cost		
Debt securities	5,056.62	4,191.75
Fixed Deposits	-	417.14
Investments measured at Fair Value through Profit or Loss		
Mutual funds	5,915.91	11,899.51
Investments measured at Fair Value through Other Comprehensive Income		
Debt securities	49.30	49.30
Total - Gross (A)	17,162.70	21,638.55
Less: Allowance for Impairment loss (B)	(2,115.18)	(4,933.50)
Total - Net (A)-(B)	15,047.52	16,705.05
Investments outside India	-	-
Investments in India	15,047.52	16,705.05

DETAILS OF INVESTMENTS

Particulars	Face Value	Nos		Amount	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1. Investments measured at Cost					
Investments in Equity shares of subsidiaries (Unquoted): (Fully paid up)"					
Digisol Systems Limited	1	41,000,000	41,000,000	4,288.37	4,282.46
Synegra EMS Limited	10	15,000,000	4,500,000	1,555.96	501.85
Telesmart SCS Limited	10	2,880,000	2,880,000	296.54	296.54
Total - Gross				6,140.87	5,080.85
Less: Allowance for Impairment loss				(2,065.88)	(4,884.20)
Total - Net				4,074.99	196.65

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
2. Investments measured at Amortised Cost					
Investments in bonds (Unquoted):					
Cholamandalam Perp NCD Series PDI 10 12.90%	500,000	40	40	241.65	241.58
Tata Power Company Limited 2072 - NCD 10.75%	1,000,000	55	55	590.01	590.01
Tata Steel Limited - NCD Perpetual 11.50%	1,000,000	-	30	-	329.85
Canara Bank BD Perpetual - 9.55%	1,000,000	10	10	100.59	100.59
ICICI BANK AT1 - BD 9.2%	1,000,000	-	50	-	501.84
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	1,000,000	30	30	320.90	320.90
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	1,000,000	30	30	320.94	320.94
HDFC Bank Limited Perpetual - BD 8.85%	1,000,000	28	20	302.57	216.14
Tata Motors Finance Limited Perpetual NCD -11.10%	1,000,000	30	30	343.01	342.92
Tata Capital Financial Services Ltd 8.70%	1,000	-	20,000	-	208.77
Bajaj Finance Ltd 2027 - NCD 8.15%	1,000,000	5	5	50.63	50.63
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	20,000	20,000	210.01	210.01
L&T infrastrucure Finance Company Limited -NCD 7.65%	2,500,000	12	12	312.94	311.85
L&T Infrastructure Finance Company Limited - NCD 8.81%	2,500,000	5	5	134.60	136.36
UP Power Corporation Limited - NCD 10.15%	1,000,000	10	10	102.68	102.90
North Eastern Electric Power Corporation Limited - NCD 7.68%	1,000,000	20	20	206.34	206.46
ICICI Bank DDB tier -II 0.00%	100,000	365	-	348.54	-
Tata Sons Ltd NCD - 9.54%	1,000,000	15	-	163.53	-
M&M Financial Services Ltd 2031 - 7.35%	1,000,000	20	-	210.83	-
State Bank of India Unsecured Rated Listed Additional Tier I Non Convertible Bond - 7.72%	10,000,000	3	-	314.30	-
8.50% Muthoot Fincorp Limited	1,000,000	10	-	100.65	-
Punjab National Bank Tier II - 8.93%	1,000,000	10	-	103.85	-
Kotak Mahindra Bank Limited Basel III perp - 8.10%	5	4,000,000	-	202.68	-
State Bank of India perp - 100 yr - 7.55%	10,000,000	2	-	204.52	-
L&T Finance Limited Tier II (series-s) - 9.95%	1,000,000	16	-	170.85	-
				5,056.62	4,191.75
Fixed Deposits (Unquoted)					
Fixed Deposit with Bajaj Finance Limited	20,000,000	-	1	-	208.64
Fixed Deposit with HDFC Limited	20,000,000	-	1	-	208.50
				-	417.14
3. Investments measured at Fair Value through Profit or Loss					
Mutual funds (Unquoted)					
HDFC Mutual Fund					
HDFC Liquid Fund - Direct Plan - Growth	1,000	574.030	5,710.712	24.02	231.03
HDFC Corporate Bond Fund - Direct Plan - Growth	10	390,996.466	3,185,100.662	103.54	802.12
HDFC Corporate Bond Fund - Regular Plan - Growth	10	-	1,727,459.971	-	430.62
ICICI Mutual Fund					
ICICI Prudential Banking & PSU Debt Fund - Growth	10	2,067,524.707	2,125,581.217	540.34	531.00
ICICI Prudential Corporate Bond Fund - Growth	10	2,435,703.391	2,435,703.391	576.19	552.61
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	493,524.038	493,524.038	121.34	116.01
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	-	1,169,453.705	-	274.90
ICICI Prudential Short Term Fund - Growth Option	10	250,792.088	303,311.772	119.85	139.11
ICICI Prudential Overnight Fund - Direct Plan - Growth	100	-	539,493.974	-	598.74

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
ICICI balance Advantage Fund - Growth	10	51,205.961	-	25.37	-
Kotak Mahindra Mutual Fund					
Kotak Bond Fund Short Term - Growth - Regular Plan	10	1,504,985.518	1,504,985.518	640.93	614.86
Birla Sun Life Mutual Fund					
Birla Sun Life Banking & PSU DEBT Fund -Gr -Regular Plan	10	-	307,406.537	-	870.71
Birla Sun life Floating Rate Fund -Growth -Regular Plan	10	127,134.481	319,542.346	353.32	849.39
SBI Mutual fund					
SBI Short Term Debt Fund-Regular Plan-Growth	10	4,077,363.452	4,077,363.452	1,061.98	1,020.25
Franklin Templeton Mutual Fund					
Franklin India Short term Income Plan- Retail Plan - Segregated Portfolio 2 (10.90% Vodafone Idea Ltd 02 Sep 2023 (P/C 03 Sep 2021) - Growth Option)	1,000	18,290.977	20,049.301	-	-
Invesco Mutual Fund					
Invesco India Ultra Short Term Fund Plan Growth	10	10,022.335	10,022.335	220.30	213.47
Invesco India Short Term Fund - Direct Plan Growth	10	7,725.541	7,725.541	244.55	233.93
Invesco India Treasury Advantage Fund - Growth	10	-	4,359.096	-	129.27
L & T Mutual Fund					
L & T Triple Ace Bond Fund - Direct Plan-Growth	10	985,570.099	1,009,526.058	619.53	602.07
L & T Short Term Bond Fund - Direct Plan - Growth	10	2,897,136.850	4,460,579.103	655.07	965.72
IDFC Mutual Fund					
IDFC Corporate Bond Fund - Direct Plan - Growth	10	-	8,172,767.048	-	1,247.79
IDFC Banking & PSU Debt Fund - Direct Plan - Growth (refer foot note)	10	1,940,480.415	2,090,144.455	395.84	408.42
IDFC Banking & PSU Debt Fund - Regular Plan - Growth	10	-	2,277,497.963	-	438.07
IDFC Bond Fund - Short Term Plan - Growth	10	33,384.349	1,117,092.905	16.36	523.50
Mirae Asset Mutual Fund					
Mirae Asset Ultra Short Duration Fund Direct Growth Growth	1,000	-	10,408.437	-	105.92
Edelweiss Mutual Fund					
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	10	1,837,832.906	-	197.38	-
				5,915.91	11,899.51
Preference Shares (Unquoted)					
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	340	340	49.30	49.30
Total - Gross				49.30	49.30
Less: Allowance for Impairment loss				(49.30)	(49.30)
Total - Net				-	-
Total Investments- Gross				17,162.70	21,638.55
Total Impairment				(2,115.18)	(4,933.50)
Total Investments - Net				15,047.52	16,705.05
Aggregate book value of:					
Quoted investments				-	-
Unquoted investments				14,387.82	15,701.54
Aggregate market value of:					
Quoted investments				-	-
Unquoted investments				15,047.52	16,705.05

Footnote:- Pledged against Overdraft facility obtained by Digisol Systems Limited (wholly owned subsidiary) (March 31, 2021 INR NIL).

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 01 April, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at 01 April, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	
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	
Total	1,692.02	201.97	-	1,893.99	376.88	39.45	9.81	426.14	1,467.85	1,315.14	

Particulars	Gross Block				Depreciation				Net block		
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
Land	787.66	-	-	787.66	25.34	9.74	-	35.08	752.58	762.32	
Building	904.36	-	-	904.36	312.99	28.81	-	341.80	562.56	591.37	
Total	1,692.02	-	-	1,692.02	338.33	38.55	-	376.88	1,315.14	1,353.69	

Note:

- (a) Includes asset given on operating lease - gross value - on March 31, 2022 INR 1,893.99 lakhs (March 31, 2021 INR 1,692.03 lakhs), - written down value on March 31, 2022 INR 1,467.86 lakhs (March 31, 2021 INR 1,315.15 lakhs)
- (b) INR 51.87 lakhs (March 31, 2021 INR 105.02 lakhs) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net block		
	As at 01 April, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at 01 April, 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	
Total	2,852.02	5.32	203.26	2,654.08	1,760.58	64.21	11.10	1,813.69	840.39	1,091.44	

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 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
Land-Freehold	236.29	-	-	236.29	87.91	-	-	87.91	148.38	148.38	
Buildings-Own Use	1,431.27	-	-	1,431.27	551.67	34.83	-	586.50	844.77	879.60	
Furniture and Fixtures	200.01	-	-	200.01	198.96	0.26	-	199.22	0.79	1.05	
Vehicles	33.93	-	5.91	28.02	18.37	5.21	5.91	17.67	10.35	15.56	
Office Equipment	119.86	-	-	119.86	118.12	0.57	-	118.69	1.17	1.74	
Electrical installations	395.24	0.39	-	395.63	390.83	0.76	-	391.59	4.04	4.41	
Air conditioners	347.99	1.52	-	349.51	325.08	5.51	-	330.59	18.92	22.91	
Computers	144.02	-	125.93	18.09	144.02	-	125.93	18.09	-	-	
Right-of-use assets (Refer note 36)	236.10	56.47	219.23	73.34	59.53	45.36	94.57	10.32	63.02	176.57	
Total	3,144.71	58.38	351.07	2,852.02	1,894.49	92.50	226.41	1,760.58	1,091.44	1,250.22	

Footnote:-

- a) All title deeds of immovable properties are held in the name of company.
 b) The Company has not revalued any of its property, plant and equipments during the years ended March 31, 2022 and March 31, 2021.

NOTE 13: INTANGIBLE ASSETS

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

Particulars	Gross Block				Depreciation				Net block		
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
Computer Software	293.13	-	197.17	95.96	282.34	6.14	197.17	91.31	4.65	10.79	
Total	293.13	-	197.17	95.96	282.34	6.14	197.17	91.31	4.65	10.79	

- b) The Company has not revalued any of its intangible assets during the years ended March 31, 2022 and March 31, 2021.

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, 2022	As at March 31, 2021
Prepaid expenses	10.90	10.00
Surplus in Gratuity fund (funded) (Refer note 35)	5.17	9.58
Advance to vendor	7.93	20.55
Balance with government authorities	40.85	23.72
Total	64.85	63.85

NOTE 15: TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	44.44	82.96
Total	44.44	82.96

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, 2022	As at March 31, 2021
(i) Others (undisputed)		
Unbilled Dues	23.22	57.21
Payable Not Due	-	-
Less than 1 year	20.59	25.18
1-2 years	0.29	0.54
2-3 years	0.31	-
More than 3 years	0.03	0.03
Total	44.44	82.96

NOTE 16: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowing measured at amortised cost		
Unsecured		
Lease liabilities	180.22	196.64
Total	180.22	196.64

NOTE 17: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits	4.37	18.67
Employee Payable	33.96	66.22
Unpaid dividend*	4.14	7.04
Financial Guarantee Obligation	2.38	1.99
Asset Retirement Obligation	7.92	7.30
Total	52.77	101.22

* During the year INR 1.43 lakhs (March 31, 2021 INR 1.59 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, 2022	As at March 31, 2021
Provision for leave encashment (unfunded)	5.35	5.19
Total	5.35	5.19

NOTE 19: OTHER NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	3.35	2.35
Rent received in advance	0.45	0.21
Total	3.80	2.56

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, 2022	As at March 31, 2021
Authorized		
3,50,00,000 Equity Shares of INR 2/- each	700.00	700.00
	700.00	700.00
Issued, Subscribed and paid up		
1,33,00,000 Equity Shares of INR 2/- each, fully paid-up	266.00	266.00
Less: 33,25,000 (Previous Year:NIL) Equity Shares purchased under Buy-back scheme	66.50	-
Total	199.50	266.00

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

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	13,300,000	13,300,000
Add: Issued during the year	-	-
Less: Buyback during the year	(3,325,000)	-
Outstanding at the end of the year	9,975,000	13,300,000

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, 2022		As at March 31, 2021	
	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	4,674,160	46.86%	6,650,000	50.00%
Ms. Arati K. Naik	934,833	9.37%	1,330,000	10.00%
Mrs. Lakshana A. Sharma	794,608	7.97%	1,130,500	8.50%
Mrs. Sudha K. Naik	467,417	4.69%	665,000	5.00%

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
31.03.2022	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
31.03.2018	-	22,550,000

(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:

Name of the shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Mr. Kamalaksha R. Naik	4,674,160	46.86%	29.71%	6,650,000	50.00%	-
Mrs. Lakshana A. Sharma	794,608	7.97%	29.71%	1,130,500	8.50%	-
Mrs. Sudha K. Naik	467,417	4.69%	29.71%	665,000	5.00%	-
Ms. Arati K. Naik	934,833	9.37%	29.71%	1,330,000	10.00%	-
K R Naik HUF	100,493	1.01%	29.71%	142,973	1.07%	-
Total	6,971,511	69.90%		9,918,473	74.57%	-

NOTE 21: OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	5,567.20	5,567.20
Surplus in Statement of Profit and Loss account	11,146.92	12,693.96
Statutory Reserve	899.50	320.43
Capital Contribution	92.95	92.95
Capital Redemption Reserve	400.60	334.10
FVTOCI Reserve on Financial Instruments	2.27	2.27
FVTOCI Reserve on defined benefit plans	0.57	2.89
Total	18,110.01	19,013.80

(A) General Reserve (GR)*

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	5,567.20	5,567.20
Add: Transfer from Surplus in Profit and Loss account	-	-
Closing balance	5,567.20	5,567.20

*General reserve is free reserve available for distribution as recommended by Board in accordance with requirements 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)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	12,693.96	12,292.40
Add: Net profit / (loss) for the year	2,895.35	501.95
Amount available for appropriations	15,589.31	12,794.35
Less: Appropriations		
Less: Transferred to Statutory Reserve	(579.07)	(100.39)
Less: Paid to Shareholders for purchase of shares under buyback scheme	(3,158.75)	-
Less: Buyback Tax	(704.57)	-
Closing balance	11,146.92	12,693.96

* 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, 2022	As at March 31, 2021
Opening balance	320.43	220.04
Add: Transfer from surplus in statement of profit and loss account	579.07	100.39
Closing balance	899.50	320.43

*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, 2022	As at March 31, 2021
Opening balance	92.95	92.95
Add / (less): Change during the year	-	-
Closing balance	92.95	92.95

* 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, 2022	As at March 31, 2021
Opening balance	334.10	334.10
Add: 33,25,000 Equity Shares (March 31, 2021 NIL) of INR 2/- each purchased under buyback scheme	66.50	-
Closing balance	400.60	334.10

*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.

(F) FVTOCI Reserve on financial instruments*

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	2.27	(3.24)
Add / (less): Change during the year	-	5.51
Closing balance	2.27	2.27

* 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.

Notes forming part of the Standalone financial statements

NOTE 21: OTHER EQUITY (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

(G) FVTOCI Reserve on defined benefit plans*

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	2.89	(4.05)
Add / (less): Change during the year	(2.32)	6.94
Closing balance	0.57	2.89

* 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, 2022	For the Year Ended March 31, 2021
On financial assets measured at FVTOCI		
Interest on bonds	-	81.47
Interest on preference shares	4.78	5.86
	4.78	87.33
On financial assets measured at amortised cost		
Interest on bonds	412.24	341.98
Interest on deposits with banks	42.88	22.68
Interest on deposits with financial institutions	6.24	18.54
Other interest income	0.60	1.47
	461.96	384.67
Total	466.74	472.00

NOTE 23: FEES AND COMMISSION INCOME

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Guarantee Commission Income	9.62	5.89
Total	9.62	5.89

NOTE 24: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES*

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On financial instruments designated at fair value through profit or loss	342.48	875.15
Total	342.48	875.15
Fair Value changes:		
- Realised	686.28	527.24
- Unrealised	(343.80)	347.91

*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, 2022	For the Year Ended March 31, 2021
Gain on derecognition of RoU assets	-	14.69
Interest on income tax refund	-	12.26
Profit on Property, plant and equipment sold / written off (net)	0.46	1.00
Sale of Scrap	0.85	1.69
Foreign Exchange gain - (net)	0.01	0.03
Waiver of lease rental payment	-	8.38
Reversal of impairment on financial instruments	2,818.32	-
Total	2,819.64	38.05

NOTE 26: FINANCE COSTS

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On Financial liabilities measured at Amortised Cost		
Interest on deposits	0.29	0.43
Interest on borrowings	15.04	21.62
Other interest expense	1.37	4.10
Total	16.70	26.15

NOTE 27: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On Financial instruments measured at FVTOCI		
Investment in Preference Shares (interest)	4.78	-
Total	4.78	-

NOTE 28: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries and wages	257.54	262.79
Contribution to provident and other funds (Refer Note 35)	7.12	7.96
Gratuity expenses (Refer Note 35)	1.32	2.96
Staff welfare expenses	10.50	9.79
Total	276.48	283.50

Note: The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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, 2022	For the Year Ended March 31, 2021
Depreciation on property, plant and equipment (refer note 12)	64.21	92.50
Amortization on Intangible Assets (refer note 13)	4.65	6.14
Depreciation on Investment Property (refer note 11)	39.45	38.55
Total	108.31	137.19

(Amount in INR Lakhs, unless otherwise stated)

NOTE 30: OTHER EXPENSES

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Rent, rate and taxes	20.70	10.43
Repairs and maintenance	52.13	22.57
Communication expenses	8.00	6.39
Printing and stationery expenses	0.58	0.81
Advertisement expenses	13.42	18.35
Director's fees	14.17	13.73
Auditor's fees and expenses (Refer footnote)	13.77	13.88
Legal and professional charges (Refer footnote)	83.05	99.28
Insurance	11.84	12.98
Annual maintenance expense	11.80	11.29
Software connectivity license/maintenance expenses	24.98	42.72
Travelling and conveyance expenses	19.70	9.91
Power and fuel expenses	69.93	60.21
Membership and subscription fees	0.14	1.18
Office Expenses	11.51	10.15
Application, registration & filing Fees	0.61	16.09
Expenditure on corporate social responsibility (Refer Note 57)	12.89	20.00
Miscellaneous expenses	15.90	21.42
Bank charges	0.06	2.09
Total	385.18	393.48

Notes:

1 Payment to Auditors

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Charged to Auditor's fees and Expenses:		
Statutory audit fees including GST expensed	12.72	12.81
Reimbursement of expenses including GST expensed	0.40	0.42
	13.12	13.23
Charged to Legal and Professional fees:		
Other certification fees including GST expensed	0.65	0.65
Total	13.77	13.88

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, 2022	For the Year Ended March 31, 2021
Deferred tax assets		
On account of timing difference in retiral and other employee benefits	1.35	1.30
On account of fair value of financial assets designated at FVTOCI	12.41	12.41
Provision for doubtful debts / advances	2.01	2.01
On disallowance u/s 40a of Income Tax Act, 1961	1.14	3.87
	16.91	19.59
Deferred tax liabilities		
On property, plant and equipment	155.10	147.56
On account of fair value of financial assets designated at FVTPL	173.07	257.18
	328.17	404.74
Deferred tax liability (Net)	(311.26)	(385.15)

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Opening balance as of April 01	(385.15)	(280.18)
Tax assets / (liabilities) recognized in statement of profit and loss	73.11	(100.77)
Tax assets / (liabilities) recognized in OCI	-	-
-On re-measurements gain/(LOSSES) of post-employment benefit obligations	0.78	(2.34)
-On preference shares and bonds	-	(1.86)
Closing balance as at March 31	(311.26)	(385.15)

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Tax liability	-	100.77
Tax asset	73.11	-
Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss	73.11	100.77

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
- Current tax	108.42	80.48
- Adjustments in respect of current income tax of previous year	6.90	7.93
- Deferred tax charge / (income)	(73.11)	100.77
Income tax expense reported in the statement of profit or loss	42.21	189.18

Notes forming part of the Standalone financial statements

NOTE 31: INCOME TAX EXPENSE (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

(E) Income tax expense charged / (credit) to OCI

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Net fair value (gain)/loss on debt securities	-	1.86
Net loss/(gain) on remeasurements of defined benefit plans	(0.78)	2.34
Income tax expense charged / (credit) to OCI	(0.78)	4.20

(F) Reconciliation of tax charge

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Profit before tax	2,937.56	691.14
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	739.33	173.95
Tax effects of:		
- Item not deductible for tax / (taxable)	(704.02)	7.30
Earlier year adjustment	6.90	7.93
Income tax expense	42.21	189.18

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, 2022	For the Year Ended March 31, 2021
Ordinary equity shareholders		
Profit/ (Loss) attributable to ordinary equity holders	2,895.35	501.95
Weighted average number of equity shares	104.94	133.00
Face Value per share	2	2
Basic earnings per share (INR)	27.59	3.77
Diluted earnings per share (INR)	27.59	3.77

NOTE 33: CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
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	2,000.00	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	-
Total	3,371.61	2,071.61

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, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account	275.04	275.04
Non-cancellation lease liabilities (Refer Note 36)	914.44	945.58

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, 2022	For the Year Ended March 31, 2021
Employer's Contribution to Provident Fund and Pension Fund	4.72	5.40
Employer's contribution to National Pension Scheme	1.76	1.72
Employer's contribution to Employee State Insurance	0.64	0.84
Total	7.12	7.96

(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, 2022	As at March 31, 2021
i) Actuarial assumptions		
Discount rate (per annum)	7.27%	6.70%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	12.77	12.43
Attrition rate	PS: 0 to 5 : 9% PS: 5 to 40 : 0%	PS: 0 to 5 : 9% PS: 5 to 40 : 0%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	23.71	28.63
Interest cost	1.49	1.89
Current service cost	2.03	2.60
Benefits paid	(5.14)	(0.47)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(1.20)	(0.15)
Actuarial (gain)/ loss on obligations - Due to experience	3.93	(8.79)
Present value of obligation at the end of the year	24.82	23.71
iii) Change in the fair value of plan assets:		
Opening fair value of plan assets	33.29	21.89
Adjustment to Opening Fair Value of Plan Asset	0.01	-
Interest Income	2.20	1.53
Contributions by employer	-	10.00
Benefits paid	(5.14)	(0.47)
Return on plan assets excluding interest income	(0.37)	0.34
Closing fair value of plan assets	29.99	33.29

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, 2022	For the Year Ended March 31, 2021
iv) Expense recognized in the Statement of Profit and Loss		
Current service cost	2.03	2.60
Past service cost	-	-
Interest cost (net)	(0.71)	0.36
Total expenses recognized in the Statement Profit and Loss*	1.32	2.96

*Included in Employee benefits expense (Refer Note 28).

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
v) Expense recognized in Other comprehensive income		
Actuarial (gain) / loss on Obligation for the period	2.73	(8.94)
Return on plan assets excluding interest income	0.37	(0.34)
Net actuarial (gains) / losses recognised in OCI	3.10	(9.28)

Particulars	As at March 31, 2022	As at March 31, 2021
vi) Assets and liabilities recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	24.82	23.71
Fair Value of Plan Assets at the end of the year	29.99	33.29
Net asset / (liability) recognized in Balance Sheet*	5.17	9.58

* Included in Other Non Financial Assets (Refer note 14)

vii) Expected contribution to the fund in the next year INR 2.17 lakhs

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

Impact on Present Value obligation	For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	+1%	-1%	+1%	-1%
Change in discount rate	22.93	27.00	21.95	25.73
Change in salary escalation rate	27.02	22.88	25.74	21.91

ix) Maturity profile of defined benefit obligation

Years	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Year 1	0.14	2.92
Year 2	0.17	0.12
Year 3	0.18	0.16
Year 4	0.22	0.16
Year 5	8.98	0.18
Year 6 to 10	18.31	23.63

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

b) Leave encashment

Years	As at March 31, 2022	As at March 31, 2021
Actuarial assumptions		
Discount rate (per annum)	7.27%	6.70%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	12.77	12.43
Attrition rate	PS: 0 to 5 : 9% 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 2022:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
Balance as on April 01, 2020	171.29	5.28	176.57
Additions	54.54	1.93	56.47
Deletion	(120.66)	(4.00)	(124.66)
Depreciation	(43.83)	(1.53)	(45.36)
Balance as on March 31, 2021	61.34	1.68	63.02
Additions	-	-	-
Deletion	-	-	-
Depreciation	(18.37)	(0.63)	(19.00)
Balance as on March 31, 2022	42.97	1.05	44.02

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)

The following is the movement in lease liabilities during for the year ended March 31, 2022:

Particulars	Amount
Balance as on April 01, 2020	316.73
Additions	54.54
Deletion	(135.08)
Finance cost accrued during the period	21.62
Payment of lease liabilities	(52.79)
Waiver of lease rental	(8.38)
Balance as on March 31, 2021	196.64

Particulars	Amount
Balance as on April 01, 2021	196.64
Additions	-
Deletion	-
Finance cost accrued during the period	15.04
Payment of lease liabilities	(31.46)
Balance as on March 31, 2022	180.22

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	32.45	31.46
One to five years	72.30	81.58
More than five years	809.69	832.54
Total	914.44	945.58

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 NIL (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 90.53 lakhs for the year ended March 31, 2022 (March 31, 2021 INR 140.36 lakhs).

Future minimum rentals receivables under operating leases as at March 31 are, as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	131.25	163.13
After one year but not more than five years	246.31	41.22

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

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. from 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, 2022			For the year ended March 31, 2021		
	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
Rent Income						
Digisol Systems Limited	52.80	-	-	52.80	-	-
Synegra EMS Limited	-	-	-	13.94	-	-
Telesmart SCS Limited	-	-	-	17.09	-	-
Purchase of Networking Products						
Digisol Systems Limited	0.04	-	-	0.21	-	-
Charged towards CSR expenses						
Digisol Systems Limited	1.03	-	-	-	-	-
Managerial Remuneration						
Ms. Arati K. Naik						
Short-term employee benefits	-	-	-	-	-	4.59
Post-employment benefits	-	-	-	-	-	0.04
Mr. K. G. Prabhu						
Short-term employee benefits	-	-	35.87	-	-	29.91
Post-employment benefits	-	-	0.22	-	-	0.22

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	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
Ms. Urjita Damle						
Short-term employee benefits	-	-	13.59	-	-	10.93
Post-employment benefits	-	-	0.22	-	-	0.22
Director Sitting Fees						
Mr. Krishnand M. Gaonkar	-	-	2.50	-	-	2.55
Mr. Pankaj M. Baliga	-	-	3.00	-	-	2.55
Mr. Pradeep A. Rane	-	-	2.50	-	-	2.50
Mr. Bhanubhai R. Patel	-	-	3.00	-	-	2.50
Mr. Pradeep G. Pande	-	-	2.00	-	-	2.50
Consideration paid for Buyback of Shares						
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	-	-	-
Bank Guarantee given during the year on behalf of						
Digisol Systems Limited	2,000.00	-	-	2,000.00	-	-
Synegra EMS Limited	1,300.00	-	-	-	-	-
Bank Guarantee revoked during the year						
Digisol Systems Limited	2,000.00	-	-	2,000.00	-	-

Balances due from and due to related parties

Particulars	As at March 31, 2022	As at March 31, 2021
Amount due from related party as on:		
Subsidiary Companies:		
Digisol Systems Limited	14.26	18.73
Synegra EMS Limited	25.44	25.44
Telesmart SCS Limited	32.72	32.72
Amount of Corporate Guarantee given and outstanding as on:		
Subsidiary Companies:		
Digisol Systems Limited	2,000.00	2,000.00
Synegra EMS Limited	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 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, 2022	As at March 31, 2021
Financial assets measured at amortized cost			
Investments in Debt securities			
Fixed Deposits	Level 3	5,056.62	4,191.75
Security Deposits	Level 3	-	417.14
Financial assets measured at fair value	Level 3	23.93	23.01
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	Level 2	5,915.91	11,899.51
(b) Trade receivables			
(b) Financial assets measured at fair value through other comprehensive income	Level 2	75.38	89.01
Investments in Debt securities	Level 2	49.30	49.30
Financial liabilities measured at amortized cost			
Security Deposits	Level 3	4.37	18.67
Lease Liabilities	Level 3	180.22	196.64
Financial guarantee obligation	Level 3	2.38	1.99
Asset retirement obligation	Level 3	7.92	7.30

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, 2022 and March 31, 2021 is the carrying amounts as mentioned in Note 5, 6, 7 and 14.

(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 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

31 March 2021

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)

(b) Capital work in progress completion schedule

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project temporarily suspended			215.70	

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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	31.10	-	31.10	40.30	-	40.30
Bank Balance other than Cash and cash equivalents	4.14	1,078.44	1,082.58	7.04	454.16	461.20
Investments	5,915.91	9,131.61	15,047.52	11,899.51	4,805.54	16,705.05
Receivables- Other Receivables	75.38	0.00	75.38	89.01	-	89.01
Other financial assets	1.30	23.93	25.23	1.60	23.01	24.61
Non Financial Assets						
Tax assets (Net)	-	56.75	56.75	-	42.57	42.57
Investment Property	-	1,467.85	1,467.85	-	1,315.14	1,315.14
Property, Plant and Equipment	-	840.39	840.39	-	1,091.44	1,091.44
Capital work-in-progress	-	215.70	215.70	-	215.70	215.70
Intangible assets	-	-	-	-	4.65	4.65
Other non-financial assets	59.68	5.17	64.85	54.27	9.58	63.85
Total Assets	6,087.51	12,819.84	18,907.35	12,091.73	7,961.79	20,053.52
Financial liabilities						
Trade Payables	44.44	-	44.44	82.96	-	82.96
Borrowings (Other than debt securities)	18.82	161.40	180.22	19.73	176.91	196.64
Other financial liabilities	44.85	7.92	52.77	93.92	7.30	101.22
Non financial liabilities						
Provisions	4.10	1.25	5.35	3.76	1.43	5.19
Deferred tax liabilities (Net)	-	311.26	311.26	-	385.15	385.15
Other non-financial liabilities	3.80	-	3.80	2.56	-	2.56
Total Liabilities	116.01	481.83	597.84	202.93	570.79	773.72
Net	5,971.50	12,338.01	18,309.51	11,888.80	7,391.00	19,279.80

B Public Disclosure on liquidity risk

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Number of significant counterparties	Amount (INR Crores)	% of total deposits	% of total liabilities
Not Applicable			

(ii) Top 20 large deposits (amount in INR crore and % of total deposits)

Not Applicable

(iii) Top 10 borrowings (amount in INR crore and % 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, 2022	As at March 31, 2021
Short term liabilities as a % of total public funds	-	-
Short term liabilities as a % of total Liabilities	19.40%	26.23%
Short term liabilities as a % of total Assets	0.61%	1.01%

(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, 2022 and March 31, 2021.

NOTE 57:

As per provisions of section 135 of Companies Act 2013, the Company was required to spend INR 13.76 lakhs (March 31, 2021: INR 18.89 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 14.00 lakhs (including excess of earlier year) (March 31, 2021: INR 20.00 lakhs) towards Corporate Social Responsibility activities as under:

A.	Particulars	As at March 31, 2022	As at March 31, 2021
	Gross Amount required to be spent as per Section 135 of the Act	13.76	18.89
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	13.76	18.89
B.	Amount approved by the Board to be spent during the year	16.35	20.00

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	12.89	20.00

D. Details related to amount spent

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above		
- 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	-	20.00
- Education purpose	8.31	-
Total	12.89	20.00

E. Details of excess CSR expenditure

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
- Contribution to Foundations / Trusts	(1.11)	13.76	12.89	(0.24)

F. Disclosures on Shortfall

Particulars	March 31, 2022	March 31, 2021
Amount Required to be spent by the Company during the year	13.76	18.89
Actual Amount Spent by the Company during the year	12.89	20.00
PY Excess adjusted during the CY	1.11	-
Shortfall/(Excess) at the end of the year	(0.24)	(1.11)
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, 2022	As at March 31, 2021
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

NOTE 59: EVENT AFTER REPORTING DATE:-

There have been no events after the reporting date that require disclosure in these financial statements.

NOTE 60:

Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per my report of even date

For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

Abhishek Pachlangia

Partner

Membership No. 120593

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

Arati Naik

Executive Director

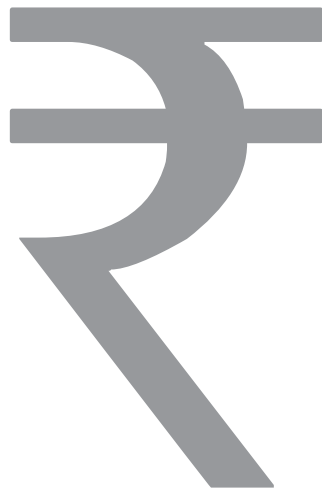
DIN: 06965985

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, 2022, 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 its associates and jointly controlled entities as at March 31, 2022, 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, its associate and jointly controlled entities 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, 2022. 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.

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, 2022, the Holding Company has investments of INR 10,972.54 Lakhs in mutual funds and bonds which constitutes about 53% of the total assets of the Group. During the year, the Holding Company has recognised INR 342.48 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, 2022
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2022.
- 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- (a) The consolidated financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated June 30, 2021 expressed an unmodified opinion on those statements.
- (b) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of INR 6,588.77 lakhs as at March 31, 2022, total revenue of INR 9,761.07 lakhs and total net profit after tax of INR 986.01 lakhs and net cash flows amounting to INR 14.03 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, its associate companies and jointly controlled companies incorporated in India are disqualified as on March 31, 2022 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 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 40 to the consolidated financial statements as at March 31, 2022.
 - 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, associate companies and jointly controlled 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, 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. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
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.

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

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 22120593AITKFX1334

Place : Verna, Goa
Date : May 11, 2022

Independent Auditor's Report

Annexure A to the Independent Auditor's Report ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the 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 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities to cease to continue as a going concern.
- 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 and its associates and jointly controlled entities 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, 2022 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.

Place : Verna, Goa
Date : May 11, 2022

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

Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 22120593AITKFX1334

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, 2022

[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, 2022]

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, 2022, 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, 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, 2022, 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.

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 three 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: 22120593AITKFX1334

Place : Verna, Goa

Date : May 11, 2022

Consolidated Balance Sheet as at March 31, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	5	59.14	54.31
Bank balance other than cash and cash equivalents	6	2,065.37	1,002.95
Receivables			
(I) Trade receivables	7	1,712.84	876.60
(II) Other receivables	7	2.96	12.12
Investments	13	10,972.54	16,508.40
Other financial assets	8	37.81	37.16
Non-financial Assets			
Current tax assets (Net)	9	80.80	52.77
Deferred tax assets (Net)	36	327.21	-
Investment property	10	1,279.88	1,113.12
Property, plant and equipment	11	1,857.09	1,825.97
Capital work-in-progress		215.70	215.70
Intangible assets	12	3.71	17.04
Inventories	14	1,433.21	689.81
Other non-financial assets	15	839.37	571.82
Total Assets		20,887.63	22,977.77
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		8.66	3.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,229.84	790.82
Borrowings (Other than Debt Securities)	17	2,527.89	2,362.13
Other financial liabilities	18	455.65	286.48
Non-Financial Liabilities			
Provisions	19	97.86	67.05
Deferred tax liabilities (Net)	36	-	81.90
Other non-financial liabilities	20	72.47	45.12
EQUITY			
Equity share capital	21	199.50	266.00
Other equity	22	16,300.57	19,072.67
Non-controlling interest	23	(4.81)	1.98
Total Liabilities and Equity		20,887.63	22,977.77

See accompanying notes to the consolidated financial statements 1-67
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

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

Arati Naik
Executive Director
DIN: 06965985

Urjita Damle
Company Secretary
ICSI Membership No.24654

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
INCOME			
Revenue from operations			
Interest Income	24	499.20	502.67
Rental Income		37.73	56.53
Net gain on fair value changes	25	342.48	875.15
Revenue from contracts with customer	26	7,070.77	5,592.56
Total Revenue from operations		7,950.18	7,026.91
Other Income	27	92.96	261.59
Total Income		8,043.14	7,288.50
EXPENSES			
Finance costs	28	70.86	122.70
Impairment of financial instruments	29	4.78	-
Purchase of Stock-in-trade	30	2,439.35	2,682.75
Cost of raw material consumed	31	2,604.48	673.59
Change in inventories of finished goods, work-in-progress and stock-in-trade	32	(384.29)	374.76
Employee benefits expenses	33	1,384.74	1,270.65
Depreciation and amortisation expense	34	239.46	277.99
Others expenses	35	945.23	976.73
Total Expenses		7,304.61	6,379.17
Profit / (loss) before tax		738.53	909.33
Less: Tax Expense:			
- Current Tax		108.42	80.48
- Deferred Tax		(408.39)	(201.97)
- Earlier Year Tax Adjustments		6.90	7.93
Total Tax Expense	36F	(293.07)	(113.56)
Profit / (Loss) for the year		1,031.60	1,022.89
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		(14.39)	16.21
- Income tax relating to above		0.72	(3.53)
Subtotal (A)		(13.67)	12.68
B. Items that will be reclassified to profit or loss			
Net fair value gain/ (loss) on financial instruments		-	7.37
- Income tax relating to above		-	(1.86)
Subtotal (B)		-	5.51
Other Comprehensive Income (A + B)		(13.67)	18.19
Total Comprehensive Income for the year		1,017.93	1,041.08
Profit / (Loss) for the year attributable to			
Equity holders of the parent		1,038.74	1,037.22
Non-controlling interest		(7.14)	(14.33)
Total comprehensive income for the year, net of tax, attributable to			
Equity holders of the parent		1,024.72	1,055.33
Non-controlling interest		(6.79)	(14.25)
Basic and diluted Earnings per share (Nominal value per share INR 2)	38	9.90	7.80

See accompanying notes to the consolidated financial statements

1-67

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

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

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, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Cash flow from operating activities		
Net profit before tax	738.53	909.33
Adjustments for:		
Depreciation and amortisation expense	239.46	277.99
(Profit) on Property, plant and equipment sold / written off (net)	(0.64)	(1.00)
Provision for diminution in value of non current investments	4.78	-
EIR impact of security deposits and rent amortization	(0.80)	(2.43)
EIR impact of interest income on bonds	6.84	0.35
Interest on income tax refund	(0.36)	(12.26)
Bad Debts written off	1.32	0.02
Provision for doubtful debts made/(written back)	4.96	6.40
Net gain on fair value changes	(342.48)	(875.15)
Waiver on lease rental payment	-	(8.38)
Unrealised Foreign exchange difference (net)	(23.37)	(3.79)
Sundry balances written off / (back) (net)	1.20	1.08
Finance costs	70.86	122.70
Gain on derecognition of Right to use assets	-	(29.86)
Provision for warranty (net)	4.24	23.08
Statutory provision no longer required written back	(8.70)	(174.45)
Operating profit / (loss) before working capital changes	695.84	233.63
Changes in working capital		
(Increase) / Decrease in Investments	5,866.72	477.25
(Increase) / Decrease in Fixed deposits with Banks	(762.43)	(380.39)
(Increase) / Decrease in Inventories	(743.40)	292.39
(Increase) / Decrease in Trade and other receivables	(832.12)	(101.16)
(Increase) / Decrease in Other financial assets	(299.84)	34.43
(Increase) / Decrease in Other non-financial assets	(267.54)	30.54
Increase / (Decrease) in Trade payables	464.97	(311.19)
Increase / (Decrease) in Other financial liabilities	169.17	88.36
Increase / (Decrease) in Other non-financial liabilities	31.83	(75.93)
Increase / (Decrease) in provisions	16.41	23.50
Cash generated from operations	4,339.61	311.43
Income tax paid	(143.00)	(5.36)
Net cash flows from operating activities (A)	4,196.61	306.07
Cash flow from Investing activities		
Purchase of property, plant and equipment and investment property	(424.06)	(11.29)
Proceeds from Sale of property, plant and equipment and intangible assets.	0.68	1.00
Net cash flow (used in) investing activities (B)	(423.38)	(10.29)
Cash flow from Financing activities		
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	237.31	(109.97)
Interest payments	(100.14)	(67.57)
Cash Payment for the principal portion of lease payments	(42.26)	(89.08)
Net cash flows (used in) financing activities (C)	(3,768.41)	(266.62)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	4.82	29.16
Cash and cash equivalents at the beginning of the year	54.31	25.09
Effect of exchange differences on restatement of foreign currency Cash and bank balance	0.01	0.06
Cash and cash equivalents at the end of the year	59.14	54.31
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	55.84	48.79
In Exchange Earners Foreign Currency (EEFC) account	-	1.68
Cash on hand	3.30	3.84
Total cash and cash equivalents at end of the year	59.14	54.31

(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)	25.86
Lease Liabilities	15.87	(138.32)

See accompanying notes to the consolidated financial statements 1-67
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

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

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, 2022

(Amount in INR lakhs, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening	13,300,000	266.00	13,300,000	266.00
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	(3,325,000)	(66.50)	-	-
Closing	9,975,000	199.50	13,300,000	266.00

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				
Balance at April 01, 2020	92.95	220.04	334.10	5,567.20	11,828.25	(21.96)	(3.24)	18,017.34	16.23
Profit for the year	-	-	-	-	1,037.14	-	-	1,037.14	(14.33)
Other comprehensive income / (loss)	-	-	-	-	-	12.68	5.51	18.19	0.08
Total Comprehensive Income for the year	-	-	-	-	1,037.14	12.68	5.51	1,055.33	(14.25)
Buyback of equity shares	-	-	-	-	-	-	-	-	-
Expenses for buyback of equity shares	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	100.39	-	-	(100.39)	-	-	-	-
Balance at March 31, 2021	92.95	320.43	334.10	5,567.20	12,765.00	(9.28)	2.27	19,072.67	1.98

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				
Balance at April 01, 2021	92.95	320.43	334.10	5,567.20	12,765.00	(9.28)	2.27	19,072.67	1.98
Profit for the year	-	-	-	-	1,038.39	-	-	1,038.39	(7.14)
Other comprehensive income / (loss)	-	-	-	-	-	(13.67)	-	(13.67)	0.35
Total Comprehensive Income for the year	-	-	-	-	1,038.39	(13.67)	-	1,024.72	(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)	-	-	-	-
Balance at March 31, 2022	92.95	899.50	400.60	5,567.20	9,361.00	(22.95)	2.27	16,300.57	(4.81)

Notes forming part of the consolidated financial statements for the year ended March 31, 2022

(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, Synegra EMS Limited and Telesmart SCS 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 categories of electronic and IT products.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2022 and authorised for issue on May 11, 2022.

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 Companies (Indian Accounting Standards) Amendment 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.

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 :

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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.

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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 - 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 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).

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:

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

- (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 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 (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,

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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 greater of the net selling price 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.

2.13 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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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.

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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.

2.21 Rounding off amounts

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

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, 2022 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.

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 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.

4.1 Standards (including amendments) issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

4.2 Standards that became effective during the year

There are no new Standards that became effective during the year. The Group has applied certain amendments that became effective during the year which are discussed below:

(a) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

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

(b) Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

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

(c) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

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

(d) Ind AS 103: Business combination

The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definition of asset and liability given in the framework for preparation and presentation of financial statements with Indian Accounting standards rather than the conceptual framework. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

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

(e) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 5: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	3.30	3.84
Balances with banks		
On current accounts	55.84	48.79
In Exchange Earners Foreign Currency (EEFC) account	-	1.68
Total	59.14	54.31

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2022	As at March 31, 2021
In Fixed deposit with maturity for more than 12 months*	2,011.38	961.81
Accrued interest on deposit	49.85	34.10
Unpaid dividend accounts	4.14	7.04
Total	2,065.37	1,002.95

*

- Includes INR 72.45 lakhs (March 31, 2021 INR 71.61 lakhs) held as margin money against bank guarantee.
- Includes INR 940.00 lakhs (March 31, 2021 INR 330.00 lakhs) held against corporate guarantee to bank for credit facilities availed.
- Includes INR 967.12 lakhs (March 31, 2021 INR 533.55 lakhs) fixed deposits under lien with the banks as margin money against credit facility availed.

NOTE 7: TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Secured		
Receivables considered good - Unsecured	1,712.84	876.60
Receivables considered doubtful - Unsecured	23.19	18.22
Less : Provision for doubtful debts	(23.19)	(18.22)
	1,712.84	876.60
Others Receivables		
Considered good- From Others	2.96	12.12
Total	1,715.80	888.72

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, 2022	As at March 31, 2021
(i) Undisputed Trade receivables – considered good		
Unbilled Dues	-	-
Not Due	1,548.98	795.50
Less than 6 months	174.65	84.63
6 months - 1 year	5.01	9.85
1-2 years	0.36	2.54
2-3 years	-	13.87
More than 3 years	0.46	0.55
Total	1,729.46	906.94

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, 2022	As at March 31, 2021
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-
(iv) Disputed Trade Receivables – considered good More than 3 years	9.53	Nil
Total	9.53	-
(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)	(23.19)	(18.22)
Total	1,715.80	888.72

NOTE 8: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits (gross)	37.23	36.51
Less: Provision for impairment loss	(7.99)	(7.99)
Security Deposits (net)	29.24	28.52
Advance to employees	8.57	8.64
Total	37.81	37.16

NOTE 9: CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of taxes and tax deducted at source (net of provisions for taxation of INR 1,966.33 lakhs (March 31, 2021: INR 1,851.01 lakhs))	80.80	52.77
Total	80.80	52.77

NOTE 10: INVESTMENTS

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amount			Amount		
	Land	Building	Total	Land	Building	Total
Gross Block						
Opening balance of gross carrying amount	708.34	492.22	1,200.56	708.34	492.22	1,200.56
Additions	148.38	53.58	201.96			-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Closing balance of gross carrying amount	856.72	545.80	1,402.52	708.34	492.22	1,200.56
Accumulated amortization and impairment, if any						
Opening accumulated depreciation	22.19	65.25	87.44	13.35	49.59	62.94
Charge for the year	8.84	16.56	25.40	8.84	15.66	24.50
Deduction/other adjustments	-	(9.80)	(9.80)	-	-	-
Closing accumulated depreciation	31.03	91.61	122.64	22.19	65.25	87.44
Net Block	825.69	454.19	1,279.88	686.15	426.97	1,113.12

Note:

- (a) Comprises asset given on operating lease - gross value - on March 31, 2022: INR 1,254.14 lakhs (March 31, 2021: INR 1,200.57 lakhs), - written down value on March 31, 2022: INR 1,279.88 lakhs (March 31, 2021: INR 1,113.12 lakhs)
- (b) INR 17.72 lakhs (March 31, 2021: INR 36.20 lakhs) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.

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 01 April, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at 01 April, 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	1,843.40	-	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
Total	5,562.45	424.05	203.72	5,782.78	3,736.48	200.73	11.52	3,925.69	1,857.09	1,825.97

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at 31 March, 2020
Land-Freehold	236.29	-	-	236.29	87.91	-	-	87.91	148.38	148.38
Buildings-Own Use	1,843.40	-	-	1,843.40	815.06	47.99	-	863.05	980.35	1,028.34
Plant and equipment	1,821.59	0.23	-	1,821.82	1,224.50	90.50	-	1,315.00	506.82	597.09
Furniture and fixture	298.93	-	-	298.93	294.46	1.19	-	295.65	3.28	4.47
Vehicles	33.93	-	5.91	28.02	18.37	5.20	5.90	17.67	10.35	15.56
Office equipment	142.25	1.16	-	143.41	139.24	1.23	-	140.47	2.94	3.01
Electrical installations	416.16	0.39	-	416.55	406.45	1.42	-	407.87	8.68	9.71
Air conditioners	355.97	1.52	-	357.49	331.52	5.85	-	337.37	20.12	24.45
Computers	362.45	-	125.93	236.52	353.56	5.87	125.93	233.50	3.02	8.89
Right of use assets (refer note 43)	507.43	56.47	383.88	180.02	154.06	76.96	193.03	37.99	142.03	353.37
Total	6,018.40	59.77	515.72	5,562.45	3,825.13	236.21	324.86	3,736.48	1,825.97	2,193.27

Note:

- a) All title deeds of immovable properties are held in the name of company.
- b) The group has not revalued any of its property, plant and equipments during the years ended March 31, 2022 and March 31, 2021.

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 01 April, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at 01 April, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 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
Total	214.09	-	-	214.09	197.05	13.33	-	210.38	3.71	17.04

Particulars	Gross Block				Amortisation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at 31 March, 2020
Computer Software-Acquired	373.50	-	197.17	176.34	357.84	9.73	197.17	170.40	5.94	15.66
Technical know-how	37.75	-	-	37.75	19.10	7.55	-	26.65	11.10	18.65
Total	411.25	-	197.17	214.09	376.94	17.28	197.17	197.05	17.04	34.31

Note:

a) The group has not revalued any of its intangible assets during the years ended March 31, 2022 and March 31, 2021.

Footnote

NOTE 13: INVESTMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Investments measured at amortised cost		
Debt securities	5,056.62	4,191.75
Fixed Deposits	-	417.14
Investments measured at Fair Value through Profit or Loss		
Mutual funds	5,915.92	11,899.51
Investments measured at Fair Value through Other Comprehensive Income		
Debt securities	49.30	49.30
Total - Gross (A)	11,021.84	16,557.70
Less: Allowance for Impairment loss (B)	(49.30)	(49.30)
Total - Net (A)-(B)	10,972.54	16,508.40
Investments outside India	-	-
Investments in India	10,972.54	16,508.40

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1 Investments measured at Amortised Cost					
Investments in bonds (Unquoted):					
Cholamandalam Perp NCD Series PDI 10 12.90%	500,000	40	40	241.65	241.58
Tata Power Company Limited 2072 - NCD 10.75%	1,000,000	55	55	590.01	590.01
Tata Steel Limited - NCD Perpetual 11.50%	1,000,000	-	30	-	329.85
Canara Bank BD Perpetual - 9.55%	1,000,000	10	10	100.59	100.59
ICICI BANK AT1 - BD 9.2%	1,000,000	-	50	-	501.84
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	1,000,000	30	30	320.90	320.90
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	1,000,000	30	30	320.94	320.94
HDFC Bank Limited Perpetual - BD 8.85%	1,000,000	28	20	302.57	216.14
Tata Motors Finance Limited Perpetual NCD - 11.10%	1,000,000	30	30	343.01	342.92
Tata Capital Financial Services Ltd 8.70%	1,000	-	20,000	-	208.77
Bajaj Finance Ltd 2027 - NCD 8.15%	1,000,000	5	5	50.63	50.63
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	20,000	20,000	210.01	210.01
L&T infrastructure Finance Company Limited -NCD 7.65%	2,500,000	12	12	312.94	311.85
L&T Infrastructure Finance Company Limited - NCD 8.81%	2,500,000	5	5	134.60	136.36
UP Power Corporation Limited - NCD 10.15%	1,000,000	10	10	102.68	102.90
North Eastern Electric Power Corporation Limited - NCD 7.68%	1,000,000	20	20	206.34	206.46
ICICI Bank DDB tier -II 0.00%	100,000	365	-	348.54	-
Tata Sons Ltd NCD - 9.54%	1,000,000	15	-	163.53	-
M&M Financial Services Ltd 2031 - 7.35%	1,000,000	20	-	210.83	-
State Bank of India Unsecured Rated Listed Additional Tier I Non Convertible Bond - 7.72%	10,000,000	3	-	314.30	-
8.50% Muthoot Fincorp Limited	1,000,000	10	-	100.65	-
Punjab National Bank Tier II - 8.93%	1,000,000	10	-	103.85	-
Kotak Mahindra Bank Limited Basel III perp - 8.10%	5	4,000,000	-	202.68	-
State Bank of India perp - 100 yr - 7.55%	10,000,000	2	-	204.52	-
L&T Finance Limited Tier II (series-s) - 9.95%	1,000,000	16	-	170.85	-
				5,056.62	4,191.75
Fixed Deposits (Unquoted)					
Fixed Deposit with Bajaj Finance Limited	20,000,000	-	1	-	208.64
Fixed Deposit with HDFC Limited	20,000,000	-	1	-	208.50
				-	417.14
2. Investments measured at Fair Value through Profit or Loss					
Mutual funds (Unquoted)					
HDFC Mutual Fund					
HDFC Liquid Fund - Direct Plan - Growth	1,000	574.030	5,710.712	24.02	231.03
HDFC Corporate Bond Fund - Direct Plan - Growth	10	390,996.466	3,185,100.662	103.54	802.12
HDFC Corporate Bond Fund - Regular Plan - Growth	10	-	1,727,459.971	-	430.62
ICICI Mutual Fund					
ICICI Prudential Banking & PSU Debt Fund - Growth	10	2,067,524.707	2,125,581.217	540.34	531.00
ICICI Prudential Corporate Bond Fund - Growth	10	2,435,703.391	2,435,703.391	576.19	552.61

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	493,524.038	493,524.038	121.34	116.01
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	-	1,169,453.705	-	274.90
ICICI Prudential Short Term Fund - Growth Option	10	250,792.088	303,311.772	119.85	139.11
ICICI Prudential Overnight Fund - Direct Plan - Growth	100	-	539,493.974	-	598.74
ICICI balance advantage fund growth	10	51,205.961	-	25.37	-
Kotak Mahindra Mutual Fund					
Kotak Bond Fund Short Term - Growth - Regular Plan	10	1,504,985.518	1,504,985.518	640.93	614.86
Birla Sun Life Mutual Fund					
Birla Sun Life Banking & PSU DEBT Fund -Gr - Regular Plan	10	-	307,406.537	-	870.71
Birla Sun life Floating Rate Fund -Growth - Regular Plan	10	127,134.481	319,542.346	353.32	849.39
SBI Mutual fund					
SBI Short Term Debt Fund-Regular Plan-Growth	10	4,077,363.452	4,077,363.452	1,061.98	1,020.25
Franklin Templeton Mutual Fund					
Franklin India Short term Income Plan- Retail Plan-Segregated Portfolio 2 (10.90% Vodafone Idea Ltd 02Sep2023 (P/C 03Sep2021)-Growth Option)	1,000	18,290.977	20,049.301	-	-
Invesco Mutual Fund					
Invesco India Ultra Short Term Fund Plan Growth	10	10,022.335	10,022.335	220.30	213.47
Invesco India Short Term Fund - Direct Plan Growth	10	7,725.541	7,725.541	244.55	233.93
Invesco India Treasury Advantage Fund - Growth	10	-	4,359.096	-	129.27
L & T Mutual Fund					
L & T Triple Ace Bond Fund - Direct Plan-Growth	10	985,570.099	1,009,526.058	619.53	602.07
L&T Short Term Bond Fund - Direct Plan - Growth	10	2,897,136.850	4,460,579.103	655.07	965.72
IDFC Mutual Fund					
IDFC Corporate Bond Fund - Direct Plan - Growth	10	-	8,172,767.048	-	1,247.79
IDFC Banking & PSU Debt Fund - Direct Plan - Growth*	10	1,940,480.415	2,090,144.455	395.84	408.42
IDFC Banking & PSU Debt Fund - Regular Plan - Growth	10	-	2,277,497.963	-	438.07
IDFC Bond Fund - Short Term Plan - Growth	10	33,384.349	1,117,092.905	16.36	523.50
Mirae Asset Mutual Fund					
Mirae Asset Ultra Short Duration Fund Direct Growth Growth	1,000	-	10,408.437	-	105.92
Edelweiss Mutual Fund					
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	10	1,837,832.906	-	197.39	-
				5,915.92	11,899.51
Preference Shares (Unquoted)					
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	340	340	49.30	49.30
Total - Gross				49.30	49.30

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Less: Allowance for Impairment loss				(49.30)	(49.30)
Total - Net				-	-
Total Investments- Gross				11,021.84	16,557.70
Total Impairment				(49.30)	(49.30)
Total Investments- Net				10,972.54	16,508.40
Aggregate book value of:					
Quoted investments				-	-
Unquoted investments				14,387.82	15,701.54
Aggregate market value of:					
Quoted investments				-	-
Unquoted investments				15,047.53	16,705.05

Footnote:-

* Pledged against Overdraft facility (March 31, 2021 INR NIL).

NOTE 14: INVENTORIES (VALUED AT THE LOWER OF COST OR NET REALIZABLE VALUE)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and components	181.11	243.14
Raw materials and components in transit	405.59	1.32
Work-in-progress	0.39	0.84
Finished goods	2.50	0.17
Stock in Trade	653.23	353.53
Stock in Trade in transit	164.37	81.66
Stores, spares and packing materials	26.02	9.15
Total	1,433.21	689.81

NOTE 15: OTHER NON FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to vendor	142.63	88.81
Balance with government authorities	512.14	450.82
Production Linked Incentive Receivable	135.77	-
Surplus in Gratuity fund (funded) (Refer note 42)	6.36	9.82
Prepaid expenses	42.47	22.37
Total	839.37	571.82

Notes forming part of the consolidated financial statements

NOTE 16: TRADE PAYABLES

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro, small and medium enterprises (refer foot note below)	8.66	3.62
Total outstanding dues of creditors other than micro, small and medium enterprises	1,229.84	790.82
Total	1,238.50	794.44

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 and small enterprises on the basis of information available with the Company.

Note:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding principal amount and interest as on 31st March.		
- Principal Amount	8.66	3.62
- Interest due thereon	0.04	0.04
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	0.31	0.05
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.68	0.30
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, 2022	As at March 31, 2021
(i) MSME		
Unbilled Dues	-	-
Payable Not Due	8.42	2.26
Less than 1 year	0.24	1.37
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	8.66	3.63
(i) Others (Undisputed)		
Unbilled Dues	161.08	215.83
Payable Not Due	726.26	345.26
Less than 1 year	337.36	220.16
1-2 years	1.09	8.25
2-3 years	3.78	0.68
More than 3 years	0.27	0.63
Total	1,229.84	790.82

Notes forming part of the consolidated financial statements

NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings measured at Amortised Cost		
Secured		
Bank Overdraft	614.33	156.97
Term Loan	-	112.12
Unsecured		
Loans from director	1,730.00	1,883.09
Lease liabilities	183.56	209.95
Total	2,527.89	2,362.13
Borrowings in India	2,527.89	2,362.13
Borrowings outside India	-	-
Total	2,527.89	2,362.13

During the year ended March 31, 2021, new term loan under the Guaranteed Emergency Credit Line (GECL) was availed by Synegra EMS Limited and Digisol Systems Limited amounting to INR 36.72 lakhs and INR 74.62 lakhs respectively which carried interest @ 8.25%. The term loan was repayable in 36 equal monthly instalments after a moratorium of 12 months. The term loan was secured by means of Corporate Guarantee of Smartlink Holdings Limited (Holding Company).

As per the loan sanction letter, the said loan was taken for the purpose of working capital. Synegra EMS Limited and Digisol Systems Limited had used such borrowings for the purposes as stated in the loan sanction letter.

During the year ended March 31, 2022, Synegra EMS Limited and Digisol Systems Limited had fully repaid term loan availed under the Guaranteed Emergency Credit Line (GECL) amounting to INR 36.72 lakhs and INR 74.62 lakhs respectively, before the loan tenure as mentioned above.

Terms and conditions:

Secured Loan:

Bank Overdraft of Synegra EMS Limited is secured by charge on its Fixed Deposits and that of Digisol Systems Limited is secured by charge ranking pari passu, by way of hypothecation of all existing and future current assets, Corporate Guarantee from Smartlink Holdings Limited (Holding Company), lien on IDFC Banking PSU debt fund- Growth Direct Plan (Mutual fund) of Smartlink Holdings Limited and lien on Fixed Deposit.

Unsecured Loan:

Loan from Director taken for a tenure of 365 days.

NOTE 18: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits	9.56	23.86
Unpaid dividend [#]	4.14	7.04
Interest accrued on delayed payment to MSME (Refer Note 16)	0.68	0.30
Capital creditors	284.47	-
Employee Payable	148.88	247.98
Asset Retirement Obligation	7.92	7.30
Total	455.65	286.48

[#] During the year INR 1.43 lakhs (March 31, 2021 INR 1.59 lakhs) was transferred to the Investor Education and Protection Fund.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 19: PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (funded) (Refer note 42)	39.22	17.35
Provision for leave encashment (unfunded)	31.32	26.62
Provision for Warranty (Refer note 39)	27.32	23.08
Total	97.86	67.05

NOTE 20: OTHER NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	21.66	13.20
Advances from clients/customers	50.36	31.71
Advance rent received	0.45	0.21
Total	72.47	45.12

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, 2022	As at March 31, 2021
Authorized		
3,50,00,000 Equity Shares of INR 2/- each	700.00	700.00
	700.00	700.00
Issued, Subscribed and paid up		
1,33,00,000 Equity Shares of INR. 2/- each, fully paid-up	266.00	266.00
Less: 33,25,000 (March 31, 2021: NIL) Equity Shares purchased under Buy-back scheme	66.50	-
Total	199.50	266.00

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

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	13,300,000	13,300,000
Add: Issued during the year / Bonus	-	-
Less: Bought back during the year	(3,325,000)	-
Outstanding at the end of the year	9,975,000	13,300,000

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(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, 2022		As at March 31, 2021	
	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	4,674,160	46.86%	6,650,000	50.00%
Ms. Arati K. Naik	934,833	9.37%	1,330,000	10.00%
Mrs. Lakshana A. Sharma	794,608	7.97%	1,130,500	8.50%
Mrs. Sudha K. Naik	467,417	4.69%	665,000	5.00%

(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
31.03.2022	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
31.03.2018	-	22,550,000

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

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Mr. Kamalaksha R. Naik	4,674,160	46.86%	29.71%	6,650,000	50.00%	-
Mrs. Lakshana A. Sharma	794,608	7.97%	29.71%	1,130,500	8.50%	-
Mrs. Sudha K. Naik	467,417	4.69%	29.71%	665,000	5.00%	-
Ms. Arati K. Naik	934,833	9.37%	29.71%	1,330,000	10.00%	-
K R Naik HUF	100,493	1.01%	29.71%	142,973	1.07%	-
Total	6,971,511	69.90%		9,918,473	74.57%	-

NOTE 22: OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	5,567.20	5,567.20
Capital Redemption Reserve	400.60	334.10
Capital contribution	92.95	92.95
FVTOCI Reserve on financial instruments	2.27	2.27
FVTOCI Reserve on defined benefit plans	(22.95)	(9.28)
Statutory Reserve	899.50	320.43
Surplus in Statement of Profit and Loss	9,361.00	12,765.00
Total	16,300.57	19,072.67

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(A) General Reserve*

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	5,567.20	5,567.20
Add / (Less): Transfer from Surplus in Profit and Loss account	-	-
Closing balance	5,567.20	5,567.20

*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, 2022	As at March 31, 2021
Opening balance	334.10	334.10
Add: 3,325,000 (March 31, 2021: NIL) Equity shares of INR 2/- each purchased under buyback scheme	66.50	-
Closing balance	400.60	334.10

*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.

(C) Capital Contribution*

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	92.95	92.95
Add / (Less): Change during the year	-	-
Closing balance	92.95	92.95

* 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, 2022	As at March 31, 2021
Opening balance	2.27	(3.24)
Net fair value gain/ (loss) on financial instruments	-	5.51
Closing balance	2.27	2.27

* 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, 2022	As at March 31, 2021
Opening balance	(9.28)	(21.96)
Net fair value gain/ (loss) on financial instruments	(13.67)	12.68
Closing balance	(22.95)	(9.28)

* 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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	320.43	220.04
Add / (Less): Transfer from Surplus in Statement of Profit and loss	579.07	100.39
Closing balance	899.50	320.43

*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, 2022	As at March 31, 2021
Opening balance	12,765.00	11,828.25
Add : Net profit / (loss) for the year	1,031.60	1,022.89
Amount available for appropriations	13,796.60	12,851.14
Less : Appropriations		
Less: Transferred to Statutory Reserve	(579.07)	(100.39)
Less: Paid to Shareholders for purchase of shares under buyback scheme	(3,158.75)	-
Less: Buyback Tax	(704.57)	-
Add : Share in Loss attributable to Minority Interest	6.79	14.25
Closing balance	9,361.00	12,765.00

*This represents the cumulative profits of the Group which can be utilized in accordance with the provisions of the Companies Act, 2013.

NOTE 23: NON-CONTROLLING INTEREST

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	1.98	16.23
Add : Loss for the period	(6.79)	(14.25)
Total	(4.81)	1.98

NOTE 24: INTEREST INCOME

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On financial assets measured at FVTOCI		
Interest on bonds	-	81.47
Interest on preference shares	4.78	5.86
	4.78	87.33
On Financial Assets measured at Amortised Cost		
Interest on deposits with banks	74.88	51.82
Interest on deposits with financial institutions	6.24	18.54
Interest Income on bonds	412.24	341.98
Interest Income on security deposits	0.80	2.43
Interest Income - others	0.26	0.57
Total	499.20	502.67

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 25: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES*

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On financial instruments designated at fair value through profit or loss	342.48	875.15
Total	342.48	875.15
Fair Value changes:		
-Realised	686.28	527.24
-Unrealised	(343.80)	347.91
Total	342.48	875.15

*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, 2022	For the Year Ended March 31, 2021
Sale of goods	5,987.68	5,030.76
Sale of services	569.72	487.91
Royalty Income	340.20	72.79
Other Operating Activities		
Process Scrap income	8.35	1.10
Production Linked Incentive Income (refer note 65)	135.77	-
SEIS Scrip Duty Income	29.05	-
Total	7,070.77	5,592.56

NOTE 27: OTHER INCOME

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Foreign exchange gain / (loss) (net)	47.69	28.37
Interest on income tax refund	0.36	12.26
Other Support Services	18.47	-
Recovery of trade receivables earlier written off	15.70	0.01
Miscellaneous Income	0.55	5.57
Liabilities no longer required written back	8.70	174.45
Gain on derecognition of RoU assets	-	29.86
Gain on sale of property, plant and equipment	0.64	1.00
Waiver on lease rental payment	-	8.38
Scrap Income	0.85	1.69
Total	92.96	261.59

NOTE 28: FINANCE COSTS

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest on bank overdraft account	42.27	33.04
Interest on Term Loan	5.55	3.87
Interest on deposits	0.29	0.43
Interest on delayed payments to MSME Vendors	0.09	0.09
Interest on others	1.88	4.47
Interest on loan from directors	4.91	51.53
Interest on borrowings	15.87	29.27
Total	70.86	122.70

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 29: IMPAIRMENT OF FINANCIAL INSTRUMENTS

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On Financial instruments measured at FVTOCI		
Investment in Preference Shares	4.78	-
Total	4.78	-

NOTE 30: PURCHASE OF STOCK-IN-TRADE

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Networking products	2,439.35	2,682.75
Total	2,439.35	2,682.75

NOTE 31: COST OF MATERIAL CONSUMED

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Inventory at the beginning of the year	244.46	164.39
Add: Purchases	2,946.72	753.66
Less: Inventory at the end of the year	(586.70)	(244.46)
Total	2,604.48	673.59

NOTE 32: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Inventories at the beginning of the year		
Finished goods		
- Manufactured	0.17	0.02
- Traded	435.19	705.05
Work-in-progress	0.84	105.89
	436.20	810.96
Less: Inventories at the end of the year		
Finished goods		
- Manufactured	2.50	0.17
- Traded	817.60	435.19
Work-in-progress	0.39	0.84
	820.49	436.20
Changes in inventories of finished goods, work-in-progress and traded goods	(384.29)	374.76

NOTE 33: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries and wages	1,285.24	1,172.65
Contribution to provident and other funds (Refer note 42)	48.06	46.68
Staff welfare expenses	39.72	34.95
Gratuity expenses (Refer Note 42)	11.72	16.37
Total	1,384.74	1,270.65

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Note:

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 34: DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Depreciation on property, plant and equipment (refer note 11)	200.73	236.21
Amortization on Intangible Assets (refer note 12)	13.33	17.28
Depreciation on Investment Property (refer note 10)	25.40	24.50
Total	239.46	277.99

NOTE 35: OTHER EXPENSES

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Lease Rent and License Fees	8.62	9.01
Repairs and maintenance		
- Machinery	0.89	0.97
- Others	59.16	30.04
Communication Expenses	18.35	24.09
Printing and stationery Expenses	2.57	2.73
Advertisement and publicity Expenses	89.46	104.75
Director's fees	34.70	34.13
Auditor's fees and Expenses (Refer footnote 1)	21.23	21.45
Legal and Professional charges (Refer footnote 1)	194.92	277.60
Insurance charges	57.76	55.12
Consumption of store and spares	14.62	10.73
Power and fuel	97.16	88.66
Rates and taxes	25.12	13.32
Servicing Expenses	9.81	3.13
Warranty provision movement	4.24	23.08
Computer consumables, software and maintenance charges	38.81	54.74
Office Expenses	27.46	20.19
Bank charges and commission	10.67	13.21
Freight Outward	84.41	70.98
Travel and conveyance expenses	62.65	31.44
Application, Registration & Filing Fees	10.04	17.08
Provision for advance paid to supplier	13.86	-
Bad debts written off	1.32	0.02
Expected Credit Loss on trade receivables for time value of money	4.96	6.40
Expenditure on Corporate Social responsibility (Refer Note 63)	12.89	20.00
Sundry Balance written off	1.20	1.08
Miscellaneous Expense	38.35	42.78
Total	945.23	976.73

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Notes:

1. Payment to Auditors

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Charged to Auditor's fees and expenses		
Statutory audit fees including GST expensed	20.75	20.81
Reimbursement of expenses including GST expensed	0.48	0.64
	21.23	21.45
Charged to Legal and Professional fees:		
Other certification fees including GST expensed	0.65	0.65
Total	21.88	22.10

NOTE 36: INCOME TAX

(A) Deferred tax relates to the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
On account of timing difference in retiral and other employee benefits	17.31	11.37
on account of fair value of financial assets designated at FVTOCI	14.12	14.12
Provision for doubtful debts / advances	7.84	6.60
On disallowance u/s 40a of Income Tax Act, 1961	10.98	11.71
On business losses	549.51	171.84
On provision for slow moving stock	26.46	54.28
On VRS Compensation	17.03	25.55
Others	12.81	9.89
	656.06	305.36
Deferred tax liabilities		
On property, plant and equipment	155.78	130.04
on account of fair value of financial assets designated at FVTPL	173.07	257.18
Other temporary differences	-	0.04
	328.85	387.26
Deferred tax liability (Net)	327.21	(81.90)

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Opening balance as of 1 April	(81.90)	(278.48)
Tax assets / (liabilities) recognized in Statement of Profit and Loss	408.39	201.97
Tax assets / (liabilities) recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	0.72	(3.53)
On preference shares and bonds	-	(1.86)
Closing balance as at 31 March	327.21	(81.90)

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Tax liability		
Tax asset	408.39	201.97
Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss	408.39	201.97

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
- Current tax	108.42	80.48
- Adjustments in respect of current income tax of previous year	6.90	7.93
- Deferred tax charge / (income)	(408.39)	(201.97)
Income tax expense reported in the statement of profit or loss	(293.07)	(113.56)

(E) Income tax expense charged / (credit) to OCI

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Net fair value (gain)/loss on debt securities	-	1.86
Net loss/(gain) on remeasurements of defined benefit plans	(0.72)	3.53
Income tax expense charged / (credit) to OCI	(0.72)	5.39

(F) Reconciliation of tax charge

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Profit before tax	738.53	909.33
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	185.87	228.86
Tax effects of:		
- Item not deductible for tax / (taxable)	(344.73)	(205.47)
- brought forward losses adjustments	(141.11)	(74.10)
- deferred tax assets on taxable business losses	-	(171.84)
Effect of unrecognized deferred tax assets (net)	-	101.06
Earlier year adjustment	6.90	7.93
Income tax expense	(293.07)	(113.56)

NOTE 37: BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CFS)

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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%
Telesmart SCS Limited	Manufacture of various categories of electronic and IT products.	80%

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, 2022	For the Year Ended March 31, 2021
Ordinary equity shareholders		
Profit / (Loss) attributable to ordinary equity holders	1,038.74	1,037.22
Weighted average number of equity shares in lakhs	104.94	133.00
Face Value per share	2	2
Basic earnings per share (INR)	9.90	7.80
Diluted earnings per share (INR)	9.90	7.80

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, 2022	As at March 31, 2021
At the beginning of the period	23.08	-
Add: Additional provision created	4.24	23.08
Less: Provision written back (net of additions)	-	-
As at the end of the period	27.32	23.08

NOTE 40: CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
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	2,000.00	2,000.00
Corporate guarantees given in favour of banks on behalf of Synegra EMS Limited (Wholly owned subsidiary)		
HDFC Bank Limited	800.00	-
	2,871.61	2,071.61

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 41: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account	275.04	342.37
Non-cancellation lease liabilities (Refer Note 43)	917.84	959.78

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, 2022	For the Year Ended March 31, 2021
Employer's Contribution to Provident Fund and Pension Fund	40.71	40.24
Employer's contribution to Employee State Insurance	5.08	4.35
Employer's contribution to National Pension Scheme	2.17	2.09
Employer's contribution to Professional Tax	0.10	-
Total	48.06	46.68

(B) Defined benefit plans

a) Gratuity payable to employees

The Group has a defined benefit gratuity plan and covered 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, 2022	As at March 31, 2021
i) Actuarial assumptions		
Discount rate (per annum)		
- Smartlink Holdings Limited	7.27%	6.70%
- Digisol Systems Limited	7.36%	6.75%
- Synegra EMS Limited	7.26%	6.71%
- Telesmart SCS Limited	6.86%	6.43%
Rate of increase in Salary		
- Smartlink Holdings Limited	5.00%	5.00%
- Digisol Systems Limited	5.00%	5.00%
- Synegra EMS Limited	6.00%	5.00%
- Telesmart SCS Limited	6.00%	5.00%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	112.24	112.59
Interest cost	7.28	7.39
Past service cost	-	-
Current service cost	11.65	14.75
Benefits paid	(6.99)	(4.42)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	12.04	(8.64)
Actuarial (gain)/ loss on obligations - Due to experience	1.63	(9.43)
Present value of obligation at the end of the year	137.85	112.24

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
iii) Change in the fair value of plan assets:		
Opening fair value of plan assets	104.70	81.21
Adjustment to Opening Fair Value of Plan Asset	0.79	-
Expected return on plan assets	7.21	5.77
Contributions by employer	-	24.00
Benefits paid	(6.99)	(4.42)
Return on plan assets excluding interest income	(0.72)	(1.86)
Closing fair value of plan assets	104.99	104.70
iv) Expense recognized in the Statement of Profit and Loss		
Current service cost	11.65	14.75
Past service cost	-	
Interest cost	0.07	1.62
Total expenses recognized in the Statement Profit and Loss*	11.72	16.37

* Included in Employee benefits expense (Refer Note 33).

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
v) Expense recognized in Other comprehensive income		
Actuarial (gain) / loss on Obligation for the period	13.67	(18.07)
Return on plan assets excluding interest income	0.72	1.86
Net actuarial (gains) / losses recognised in OCI	14.39	(16.21)

Particulars	As at March 31, 2022	As at March 31, 2021
vi) Assets and liabilities recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	(137.85)	(112.24)
Fair Value of Plan Assets at the end of the year	104.99	104.70
Net asset / (liability) recognized in Balance Sheet*	(32.86)	(7.54)

*Included in provision for employee benefits (Refer note 15 and 19)

vii) Expected contribution to the fund in the next year INR 13.70 lakhs

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
1% increase	121.74	152.44	98.42	124.19
1% decrease	152.33	121.41	124.14	98.17

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

ix) Maturity profile of defined benefit obligation

Years	As at March 31, 2022	As at March 31, 2021
Year 1	2.11	3.61
Year 2	1.92	1.96
Year 3	0.92	1.50
Year 4	1.18	1.50
Year 5	14.48	1.02
Year 6 to 10	60.98	50.40

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, 2022:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
Balance as on April 01, 2020	344.48	8.89	353.37
Additions	54.54	1.93	56.47
Depreciation	(74.47)	(2.49)	(76.96)
Deletions	(184.45)	(6.40)	(190.85)
Balance as on March 31, 2021	140.10	1.93	142.03
Additions	-	-	-
Depreciation	(28.83)	(0.63)	(29.46)
Deletions	-	-	-
Balance as on March 31, 2022	111.27	1.30	112.57

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 consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

The following is the movement in lease liabilities during for the year ended March 31, 2022:

Particulars	Amount
Balance as on April 01, 2020	437.35
Additions	54.54
Finance cost accrued during the period	29.27
Deletion	(213.75)
Payment of lease liabilities	(89.08)
Waiver of lease rental	(8.38)
Balance as on March 31, 2021	209.95

Particulars	Amount
Balance as on 01 April 2021	209.95
Additions	-
Deletion/Derecognition	-
Finance cost accrued during the period	15.87
Payment of lease liabilities	(42.26)
Balance as on March 31, 2022	183.56

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	35.85	42.26
One to five years	72.30	84.98
More than five years	809.69	832.54
Total	917.84	959.78

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, 2021 INR 6.89 lakhs)

(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 37.73 lakhs for the year ended March 31, 2022 (March 31, 2021 INR 56.53 lakhs).

Future minimum rentals receivables under operating leases as at March 31 are, as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	34.27	28.95
After one year but not more than five years	23.29	-
More than five years	-	-

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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

Mr. Pradeep G. Pande - Non Executive Independent Director (Retired w.e.f. from January 04, 2022)

Ms. Arati K. Naik - Executive Director

Mr. Natarajan Sankara - Whole-time Director and CEO (w.e.f. January 01, 2020 upto March 31, 2021) (Synegra EMS Limited)
- Non Executive Director (w.e.f April 01, 2021 upto June 30, 2021)

Mr. Nitin A. Kuncolienkar - Non Executive Director (Synegra EMS Limited)

Mr. Ray Chang - Non Executive Director (Telesmart SCS Limited)

Mr. Prabhod Vyasa - Additional Director (Digisol Systems Limited) (Retired w.e.f. from August 31, 2021)

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	As at March 31, 2022		As at March 31, 2021	
	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
Salary				
Ms Arati K Naik				
Short-term employee benefits	-	-	-	4.59
Post-employment benefits	-	-	-	0.04
Mr. Natarajan Sankara				
Short-term employee benefits	-	-	-	14.66
Post-employment benefits	-	-	-	0.22
Mr. K. G. Prabhu				
Short-term employee benefits	-	35.87	-	29.91
Post-employment benefits	-	0.22	-	0.22
Ms. Urjita Damle				
Short-term employee benefits	-	13.59	-	10.93
Post-employment benefits	-	0.22	-	0.22

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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
Director Sitting Fees				
Mr. Krishnand M. Gaonkar	-	7.00	-	6.55
Mr. Pankaj M. Baliga	-	5.00	-	4.55
Mr. Pradeep A. Rane	-	4.50	-	4.50
Mr. Bhanubhai R. Patel	-	7.50	-	6.50
Mr. Pradeep G. Pande	-	3.00	-	4.50
Mr. Nitin A. Kuncolienkar	-	2.50	-	2.50
Mr. Nataranjan Sankara	-	0.50	-	-
Mr. Ray Chang	-	2.00	-	1.50
Mr. Prabodh Vyas	-	1.00	-	2.00
Rent Expense				
Ms. Aarti K. Naik	-	2.40	-	2.40
Interest on Loan				
Mr. Kamalaksha R. Naik	-	4.91	-	51.53
Loan taken				
Mr. Kamalaksha R. Naik	-	430.00	-	200.00
Loan repaid				
Ms. Kamalaksha R. Naik	-	500.00	-	200.00
Consideration paid for Buyback of Shares				
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, 2022	As at March 31, 2021
Amount due to related party as on:		
Key Management Personnel		
Mr. Kamalaksha R Naik	1,730.00	1,883.09
Amount due from related party as on:	-	-

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.

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

B. Measurement of fair value

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, 2022	As at March 31, 2021
FINANCIAL ASSETS			
Financial assets measured at amortized cost			
Investments in Debt securities	Level 3	5,056.62	4,191.75
Fixed Deposits	Level 3	-	417.14
Security Deposits	Level 3	29.24	28.52
Trade receivables	Level 3	1,715.80	888.72
Financial assets measured at Fair Value through Other Comprehensive Income			
Investments in Debt securities	Level 2	49.30	49.30
Financial assets measured at fair value through profit or loss			
Investments in mutual funds	Level 2	5,915.92	11,899.51
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Lease Liabilities	Level 3	183.56	209.95
Asset retirement obligation	Level 3	7.92	7.30

There have been no transfers between Level 1 and Level 2 during the period.

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(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, 2022	As at March 31, 2021
Trade Receivables	INR	68.79	56.79
	USD	90,782	77,691
Trade Payables	INR	899.83	310.27
	USD	811,921	424,353
	JPY	45,640,000	-

(b) Foreign currency sensitivity

The following table details the Company's sensitivity to a INR 1 / INR 0.03 increase and decrease against the US Dollar /JPY. INR 1 /INR 0.03 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 INR 1/INR 0.03 change in foreign currency rates.

Particulars	As at March 31, 2022	As at March 31, 2021
Impact of INR 1 strengthening - Decrease in Loss	7.21	3.47
Impact of INR 1 weakening - Increase in loss	7.21	3.47
Impact of INR 0.03 strengthening against JPY - Decrease in loss	13.69	-
Impact of INR 0.03 weakening against JPY - Increase in loss	13.69	-

(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 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, 2022 and March 31, 2021 is the carrying amounts as mentioned in Note 5, 6, 7, 8, 15.

(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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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, 2022	Year Ended March 31, 2021
Segment Revenue (net):		
(a) Investment	909.37	1,493.41
(b) Networking Products	7,103.23	5,623.63
Total	8,012.60	7,117.04
Less: Inter-segment Revenue	(62.42)	(90.13)
Total Income from Operations (net)	7,950.18	7,026.91

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Segment Profit / (Loss) before finance cost, tax and minority interest:		
(a) Investment	115.44	658.24
(b) Networking Products	724.66	220.52
Total	840.10	878.76
Add/(Less):- Other un-allocable expenditure net-off un-allocable income	(30.72)	153.27
Operating Profit / (Loss)	809.38	1,032.03
Add/(Less):		
(i) Finance Costs (net)	(70.86)	(122.70)
(ii) Income Taxes	293.07	113.56
(iii) Share of loss attributable to Minority Interest.	7.14	14.33
Profit / (Loss) after finance cost, tax and minority interest	1,038.74	1,037.22

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Employed		
Segment Assets		
(a) Investment	14,675.14	19,707.37
(b) Networking Products	4,765.59	2,631.84
(c) Un-allocated	1,446.90	638.57
Total Assets	20,887.63	22,977.78
Less: Segment Liabilities		
(a) Investment	275.70	360.47
(b) Networking Products	4,102.97	3,163.85
(c) Un-allocated	13.70	112.80
Total Liabilities	4,392.37	3,637.12
Total Capital Employed	16,495.26	19,340.66

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Capital expenditure		
Addition to fixed assets		
(a) Investment	207.28	66.37
(b) Networking Products	418.73	1.39
(c) Un-allocated	-	-
Total Assets	626.01	67.76
Depreciation and Amortisation		
(a) Investment	108.31	137.19
(b) Networking Products	131.15	140.80
(c) Un-allocated	-	-
Total	239.46	277.99
Material non cash expenditure other than Depreciation and amortisation		
(a) Investment	-	-
(b) Networking Products	(11.65)	30.57
(c) Un-allocated	-	-
Total	(11.65)	30.57

(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, 2022	Year Ended March 31, 2021
Revenue from customer		
- Domestic	7,320.67	6,101.09
- Export	629.51	925.82
Total	7,950.18	7,026.91
Segment Assets		
- Domestic	20,818.84	22,920.99
- Export	68.79	56.79
Total	20,887.63	22,977.78
Addition to fixed assets during the year		
- Domestic	626.01	67.76
- Export	-	-
Total	626.01	67.76

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 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

31 March 2021

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

(b) Capital work in progress completion schedule

CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project temporarily suspended			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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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.

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 Company was required to spend INR 13.76 lakhs (March 31, 2021: INR 18.89 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 14.00 lakhs (March 31, 2021: INR 20.00 lakhs) towards Corporate Social Responsibility activities as under:

A.	Particulars	As at March 31, 2022	As at March 31, 2021
	Gross Amount required to be spent as per Section 135 of the Act	13.76	18.89
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	13.76	18.89
B.	Amount approved by the Board to be spent during the year	16.35	20.00
C.	Amount spent during the year on		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	12.89	20.00

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

D. Details related to amount spent

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Construction / acquisition of any asset		-
(ii) On purpose other than (i) above		
- Installation of Networking products in various schools	2.50	-
- Prime Minister's National Relief Fund	1.51	-
- Promoting healthcare	0.57	-
- Contribution to Foundation's/Trust's	-	20.00
- Education purpose	8.31	-
Total	12.89	20.00

E. Details of excess CSR expenditure

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
- Contribution to Foundations / Trusts	(1.11)	13.76	12.89	(0.24)

F. Disclosures on Shortfall

Particulars	March 31, 2022	March 31, 2021
Amount Required to be spent by the Company during the year	13.76	18.89
Actual Amount Spent by the Company during the year	12.89	20.00
PY Excess adjusted during the CY	1.11	-
Shortfall/(Excess) at the end of the year	(0.24)	(1.11)
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)	31.03.2022	100.00	16,500.07	100.00	1,038.74	100.00	1,024.72
	31.03.2021	100.00	19,338.67	100.00	1,037.22	100.00	1,055.33
Parent							
Smartlink Holdings Limited	31.03.2022	110.97	18,309.51	278.74	2,895.35	282.32	2,893.03
	31.03.2021	104.35	20,180.72	48.39	501.95	48.74	514.41
Subsidiaries							
Digisol Systems Limited	31.03.2022	12.77	2,107.59	97.38	1,011.67	98.59	1,010.14
	31.03.2021	5.67	1,097.45	89.13	924.43	87.90	927.59
Synegra EMS Limited	31.03.2022	1.50	247.53	0.97	10.04	(0.15)	(1.50)
	31.03.2021	(4.14)	(800.97)	(31.78)	(329.60)	(31.03)	(327.43)
Telesmart SCS Limited	31.03.2022	(0.48)	(79.12)	(3.43)	(35.68)	(3.32)	(33.97)
	31.03.2021	(0.23)	(45.15)	(6.91)	(71.65)	(6.75)	(71.24)
Minority Interests in subsidiaries							
Telesmart SCS Limited	31.03.2022	(0.03)	(4.81)	(0.69)	(7.14)	(0.70)	(7.14)
	31.03.2021	(0.01)	(1.98)	(1.38)	(14.33)	(1.35)	(14.25)
Elimination and Adjustment due to Consolidation	31.03.2022	(24.73)	(4,080.63)	(272.97)	(2,835.50)	(276.74)	(2,835.84)
	31.03.2021	(5.64)	(1,091.40)	2.55	26.42	2.49	26.25
Total	31.03.2022	100.00	16,500.07	100.00	1,038.74	100.00	1,024.72
	31.03.2021	100.00	19,338.67	100.00	1,037.22	100.00	1,055.33

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 65:

The Synegra EMS Limited (wholly owned subsidiary) received approval for being eligible 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. As per the PLI scheme the wholly owned subsidiary is eligible for cash incentive for the financial years 2021-22 to 2025-26 based on committed incremental target, net incremental sales and employment generation over the PLI scheme period. Based on the achievement of the eligibility criteria the wholly owned subsidiary has recognised amount of INR 135.77 lakhs (Previous year INR Nil) as Production Linked Incentive Income in the Statement of Profit and Loss towards the grant. There are no amounts towards unfulfilled conditions and other contingencies attached to the grant that have been recognised during the financial year ended March 31, 2022 (Previous year INR Nil).

NOTE 66:

Event after reporting date:-

There have been no events after the reporting date that require disclosure in these financial statements.

NOTE 67:

Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per my report of even date

For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

Abhishek Pachlangia

Partner

Membership No. 120593

Verna-Goa, dated: May 11, 2022

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

Verna-Goa, dated: May 11, 2022

Arati Naik

Executive Director

DIN: 06965985

Urjita Damle

Company Secretary

ICSI Membership No: 24654



Manufacturing Since 1986

smartlink 
H O L D I N G S

Smartlink Holdings Ltd.

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