

July 15, 2024

To,
The Manager
The Corporate Relationship Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

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

Scrip Code: 532419

Symbol: SMARTLINK

Sub: Annual Report for the Financial Year 2023-24 and Notice convening the 31st Annual General Meeting

Dear Sir/Madam,

Pursuant to Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), we are submitting herewith the Annual Report of the Company for the FY 2023-24 along with the Notice of the 31st Annual General Meeting ('AGM') of the Company.

The 31st AGM of the Company will be held on Saturday, August 10, 2024 at 11:00 a.m. IST at the registered office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa – 403722.

The Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") have granted exemptions regarding the requirement to send physical copies of the annual report and notice of meeting to shareholders, through their respective Circulars. Thus, the Annual Report for FY 2023-24 and the Notice of 31st AGM is being sent through electronic mode today to those Members whose e-mail addresses are registered with the Company, Registrar & Transfer Agent or Depositories.

The Notice for the AGM and the Annual Report of the Company is available on the website of the Company at <https://www.smartlinkholdings.com/>.

Kindly take the aforesaid information on record in compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Thanking You,

Yours Faithfully,

For **SMARTLINK HOLDINGS LIMITED**

URJITA DAMLE
COMPANY SECRETARY
MEMBERSHIP NO. ACS 24654

SMARTLINK HOLDINGS LIMITED

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investors@smartlinkholdings.com | www.smartlinkholdings.com

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



Annual REPORT



2023-24

SMARTLINK HOLDINGS LIMITED

DIGISOL[®]

SYNEGRA[®]

1st 
**INDIAN
BRAND**
IN IT NETWORKING



Group Vision

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



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K. R. Naik
Executive Chairman

“
*DIGISOL systems Ltd.
is India's first local
networking products
brand company with
Sales, Service and
Support throughout India
for the last 15 years.*

Chairman's Message

Dear Shareholders,

It is with immense pride and great pleasure that I present to you the annual report of your company for the year ended 31st March 2024.

The past year has been challenging for the global economy impacted by the Russia-Ukraine war and the Israel-Palestine conflict. Amidst the global uncertainties, the Indian economy has remained surprisingly resilient. In India's evolving landscape, IT and IT services has emerged as a powerful force driving the economic

growth and forging the path towards a brighter and more inclusive future. India's growth story is characterized by a dynamic interplay of economic expansion, changing consumer preferences and evolving aspirations. Growing affluence is leading to new trends like rise in demand of premium products and brand consciousness. The networking industry is well positioned to capitalize on the upcycle with investments fueled by cloud, cyber security and emerging technologies like generative AI and 5G.

Smartlink Holdings Ltd. had a steady year and its Standalone Revenue from Operations stood at INR 1,253.72 lakhs, a growth of 31% from over INR 954.49 lakhs in the previous year. The Standalone Profit after Tax for the year was INR 320.44 lakhs (previous year INR 1,774.08 lakhs). The Revenue from Operations on Consolidated basis increased by 28% to INR 20,918.02 lakhs from INR 16,305.26 lakh in the previous year. On a Consolidated basis, Profit After Tax for the year was INR 705.95 lakhs (previous year INR 1,923.94 lakhs). The Profit after Tax figures are not comparable as the previous year's profit was bolstered by an exceptional income (sale of land) of INR 2,091.57 lakhs.

Smartlink Holdings Ltd. is a NBFC having investments in mutual funds, bonds/deposits and other immovable and movable assets. It has two independent subsidiaries viz. DIGISOL Systems Ltd., the networking products brand company and Synegra EMS Ltd., the manufacturing company.

On February 9, 2024, the Board of Directors approved the Scheme of Amalgamation of Synegra EMS Ltd. with Smartlink Holdings Ltd.

Post the proposed merger, Smartlink Holdings Ltd. will function as an ODM manufacturer with its own R&D and supply branded products to DIGISOL and other companies worldwide.

The merger will result in ease of raising funds, economies of scale, greater integration, flexibility and market reach and in simplifying, streamlining and improving the efficiency by reducing administrative costs and making optimum use of resources.

India has emerged as a beacon of hope led by the government's vision of 'Viksit Bharat'. This has been powered by remarkable progress in digital infrastructure as well as the thrust in establishing the country as a manufacturing and services hub in a globalizing world economy. The country offers exciting opportunities for growth as it marches into the future with a young and dynamic demographic profile, rapid urbanization, rising incomes, growing consumption, technological leadership and accelerated digital adoption.

The IT networking industry is growing at a rapid rate and brands assume great importance in this scenario. In a fiercely competitive market, the brand will hold the key to our long-term success. Based on the quality and strengths of our world-class products, we are able to offer fantastic user experience to the users in the home networking, SOHO as well as Enterprise categories. Our brand building efforts include aggressive marketing activities, loyalty programmes for our partners and delivering quality training programmes that are in sync with the market demand. I am confident that DIGISOL will assume its rightful place as one of the prominent brands in the Indian networking industry.

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

In conclusion, I would like to express my sincere gratitude to the members of the Board for their continuous guidance and support. I would also like to thank the government officials, partners, associates, customers, employees and our shareholders for their valued cooperation, trust and support. We will strive to build a better tomorrow for our stakeholders.

Thanking you,

Yours sincerely,

K. R. Naik
Executive Chairman

Business Overview

SMARTLINK HOLDINGS LIMITED

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

The Company has two independent subsidiaries, namely, **DIGISOL SYSTEMS LIMITED** and **SYNEGRA EMS LIMITED** along with newly incorporated R&D facilities to enhance the businesses in a focused manner using its expertise of over three decades.

Smartlink Holdings Ltd. is an NBFC with assets and cash investments which includes investment in the two subsidiary companies.

DIGISOL SYSTEMS LTD.

DIGISOL is the First Indian Brand in IT Networking that is taking India forward with its top-notch product offerings in various verticals like Smart Cities, Manufacturing, Real Estate, Healthcare, Telecom, Hospitality, Education, Retail, Surveillance, Data Centers and IT.

DIGISOL OFFERINGS:

DIGISOL SYSTEMS is a brand products company with Sales, Marketing and all India Service Support.

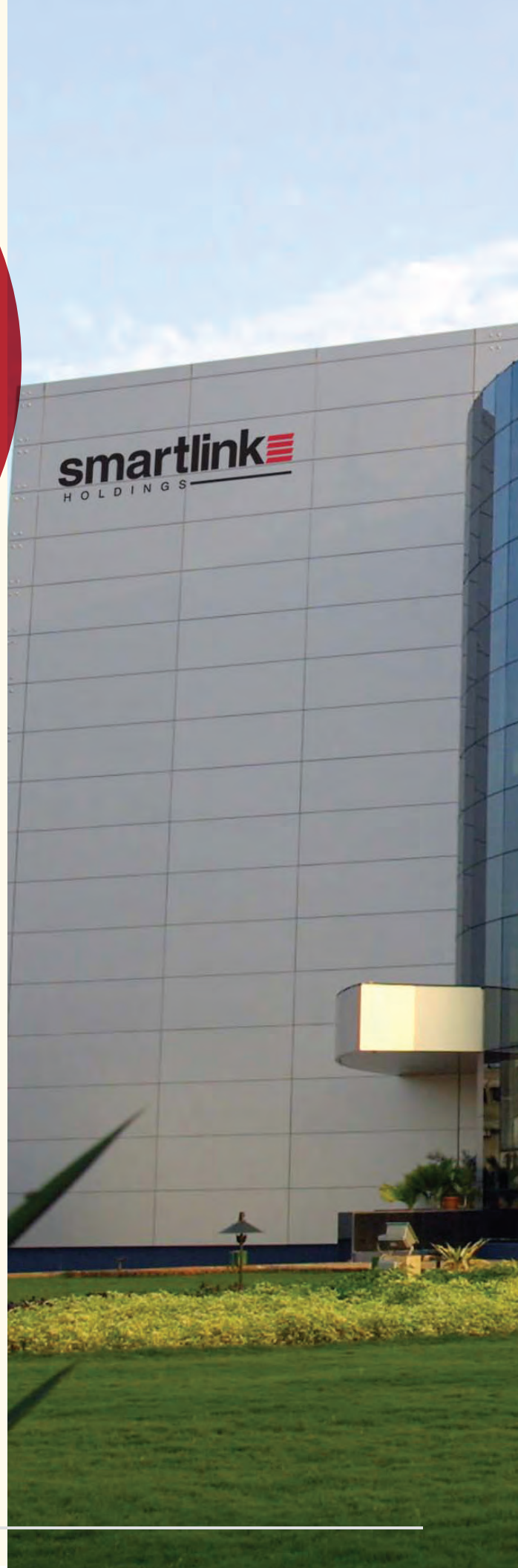
DIGISOL offers an extensive range of IT networking products, including FTTH, Wireless (Wi-Fi), Switching and Structured Cabling systems (copper and fiber) Solutions.

The FTTH products range includes - XPON ONU's, GPON OLT's, GEAPON OLT's and PON Transceivers.

The Wireless solutions range includes - Wi-fi-6 Indoor / Outdoor / Enterprise Access Points, Controllers, USB Adapters and Range Extender.

The Switching solutions range includes a wide range of Managed, Unmanaged, fully managed, Lite/Smart managed Switches, Chassis Switches, Industrial Switches, Transceivers, Media Converters, Multigig Switches.

The Structured Cabling product range includes Solid Cable, Keystones, Patch Panels, Copper Patch Cord, Faceplates, RJ45 Connectors, Fiber Patch Cords, Pigtails, Fiber LIUs, Fiber cables, Fiber Distribution Box, Splitters etc.

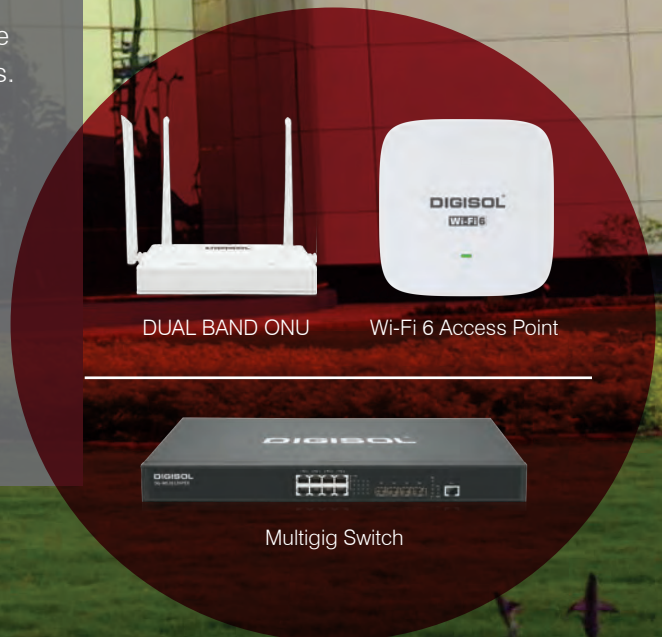


The IT networking industry grows by leaps and bounds every year; however, the one thing that stays comparatively constant is the brand. On account of the technology industry's accelerated evolution, take brand on increased importance by providing an effective counterbalance to what buyers perceive as constant change, clutter, and confusion. We strive to push the boundaries with our marketing activities and we accord great importance to brand building, which will ensure our long-term success.

DIGISOL has established its brand positioning as a '1st Indian Brand in IT Networking Solutions' that offers products of global standards, credibility and delivers a fantastic user experience.

DIGISOL has carried out various initiatives like DIGISOL Cash Karo loyalty program to enhance its relationship with existing electricians, technicians and partners by offering them a chance to earn more loyalty points on their purchase of DIGISOL products.

DITT has been established as the DIGISOL Institute of Technical Training where the Company aims to train/educate network engineers, channel partners and ISPs by consistently delivering quality training programs which are always in sync with the market demand. The DIGISOL Premium Partners Program helps build relationships with the partners by rolling out various Sales Schemes for both Active and Passive range of products.



Active Networking Products

The DIGISOL SYSTEMS LTD. offers a wide range of active networking products with a portfolio encompassing over 200+ products across the IT networking spectrum. Marketed under the brand name DIGISOL, these products incorporate world class quality and are backed by SYNEGRA's own manufacturing facility and a nationwide distribution network. The Company offers call-based technical support backed by a strong in-house service team.

DIGISOL has been steadily working towards introducing new products like Next Gen Wi-Fi-6 wireless products/solutions, SMB and SME 10G fiber networking switches, media converters and enterprise wireless products and a full range of FTTH Products based on the changing needs of the market. DIGISOL has introduced a new generation of Made in India products like XPON ONUs, EPON/ GPON OLTs, networking Switches and enterprise wireless products. Digisol has recently introduced the Multigig range of L3 Switches which provides a cost-effective solution with flexible deployment in any network architecture. These also include products manufactured by the Group's manufacturing arm SYNEGRA EMS.

DIGISOL FTTH and Switching range of products are TEC Certified and enjoy the confidence of the telecom portals.

Structured Cabling System (SCS)

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

DIGISOL Enterprise SCS range

Technology is rapidly evolving and along with it the needs of business. With the latest technologies like 5G, IoT, Wi-Fi 6, SDN and Cloud coming in and with large connectivity sites like SMART CITY, there

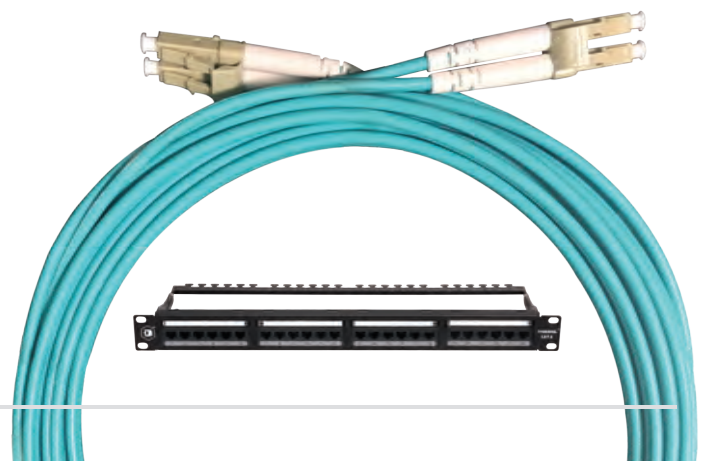


is a need for high speed and high-quality products. The enterprise structured cabling series aims to enhance the way enterprises work and unlock immense opportunities in the future.

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 fulfil the network connectivity needs of medium to small businesses and home networks.



Spearheading Government's **Make in India** vision, DIGISOL is the only India based IT networking brand that has strong PAN India presence with

50+ cities
Sales Representatives

250+
Stockist Partners

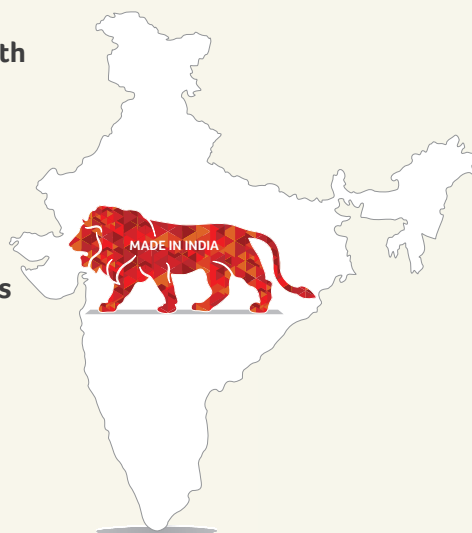
63+
Service Support Centres

1000+
System Integrators

10+
Branch Offices

5000+
Resellers

45+
Regional Distributors



The Digisol offerings are here to upgrade:



Smart Cities



Manufacturing



Healthcare



Education



Banking



Surveillance



Data Centers



IT/ITES



Hospitality



Retail



Telecom



Real Estate

Brand Building: The key to DIGISOL's success

Brand building has always been accorded top priority at DIGISOL. While it is important to provide finest quality products of the latest technology, the way in which the consumer perceives the brand is equally important, especially from a long-term perspective. DIGISOL proactively invests 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 Exhibits, 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, Youtube and Twitter with strong content marketing.

Our unique distribution system comprises of exclusive regional distributors to address the Channel and Enterprise segments. To gain market share, DIGISOL implemented FoS (Feet on the Street) module across weak cities, which showed improvement in trade relationship and brand building. This ensures extensive reach and easy availability of all our products and solutions throughout the country.

DIGICARE

DIGICARE is a service arm of DIGISOL Systems which offers a new standard in integrated after-sales service and support to deliver total customer satisfaction. The company has specialized in providing After Sales Service solutions 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 center service, Return

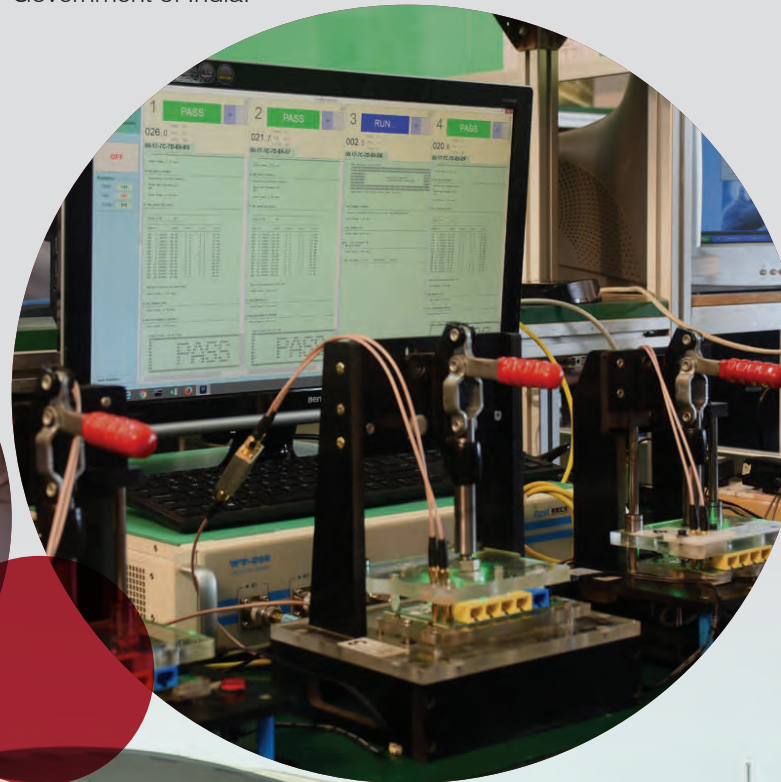
material assurance, backend repair and refurbishing services, supply chain support, warehousing support, and field services with a strong presence across India (63+ service support centers) with 27000 pin code coverage. The company is associated with world leading companies in the semiconductor, robotic and consumer electronics industry and has been serving for 25 plus years.



SYNEGRA EMS LTD.

SYNEGRA EMS LTD. is a wholly owned subsidiary of Smartlink Holdings Limited. SYNEGRA has large, certified manufacturing and R&D facilities in Goa which include 2 SMT lines. It manufactures a wide range of products – from PCB assemblies to the latest FTTH and Wi-Fi products, Telecom products, Electric Chargers and Defense applications products. SYNEGRA sources parts from local suppliers as well as from well-known companies worldwide. SYNEGRA EMS LTD. is an Electronics Manufacturing Services (EMS) Company with a highly skilled team for electronics manufacturing including components sourcing for over three decades.

It also provides contract manufacturing services to DIGISOL SYSTEMS LTD. as well as other electronics brands and companies. SYNEGRA has widened its activities by venturing into the manufacturing of Chargers for Electric Vehicles. It anticipates steady growth with its manufacturing capacity suited for both export as well as domestic markets under the Make in India initiative of the Government of India.



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 is an 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.



Pradeep Rane

Mr. Pradeep Rane is a science graduate and has over 37 years of experience in Sales, Marketing, Strategic Planning and overall Business Management with the Pharmaceutical industry.



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 43 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 32 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.



Satish Vishnu Godbole

Mr. Satish Godbole is a Chartered Accountant in practice with 38 years of experience. He is specialized in Company Law, Mergers & Amalgamation and FEMA.



Dr. Lakshana Sharma

Dr. Lakshana Sharma holds a degree in MBBS from Bharati Vidyapith, Pune University, MD from Jawaharlal Nehru Medical College, Belgaum under Rajiv Gandhi University of Health Sciences, Bangalore. She has studied Medicine and completed her post-graduation in Pediatrics in the year 2003. She is practicing pediatric since last 20 years. She is also a member of the Indian Academy of Pediatrics.



Chandrashekhar Gaonkar

Mr. Chandrashekhar Gaonkar is a Chartered Accountant with 31 years of Industry experience. He has been instrumental in the successful launch of IPO for erstwhile D-Link (India) Limited in 2001. He has served as a Chief Financial officer and Executive Director in D-Link India Limited. He is presently working as a consultant.

Directors' Report

TO THE MEMBERS,

The Directors of your Company ("the Company" or "Smartlink") are delighted to present the 31st Annual Report along with the audited financial statements for the financial year ("FY") ended March 31, 2024. 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, 2024, are summarized as under:

(Amount in INR lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---------------|---------------|-----------------|----------------|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Revenue from operations | 1,253.72 | 954.49 | 20,918.02 | 16,305.26 |
| Other Income | 17.40 | 150.69 | 76.39 | 128.68 |
| Total Income | 1,271.12 | 1,105.18 | 20,994.41 | 16,433.94 |
| Profit before depreciation, finance cost, tax expenses and exceptional items | 553.78 | 139.88 | 1,439.98 | 653.73 |
| Less: Depreciation and Amortization expenses | 104.71 | 102.22 | 346.46 | 298.60 |
| Less: Finance cost | 13.99 | 16.69 | 223.67 | 171.91 |
| Profit before exceptional items and tax | 435.08 | 20.97 | 869.85 | 183.22 |
| Exceptional income/ (expense) | - | 2,091.57 | - | 2,091.57 |
| Profit/(Loss) before tax | 435.08 | 2,112.54 | 869.85 | 2,274.79 |
| Less: Tax expenses | | | | |
| a) Current tax | 51.67 | 334.89 | 51.67 | 334.89 |
| b) Deferred tax | 64.37 | 53.29 | 113.63 | 65.68 |
| c) Adjustment of tax of earlier years | (1.40) | (49.72) | (1.40) | (49.72) |
| Profit/(Loss) after Tax | 320.44 | 1,774.08 | 705.95 | 1,923.94 |
| Other Comprehensive Income (Net of tax) | (4.21) | 3.45 | (28.64) | (29.37) |
| Total Comprehensive Income | 316.23 | 1,777.53 | 677.31 | 1,894.57 |
| Earnings Per Share (INR) | 3.21 | 17.79 | 7.08 | 19.29 |

Note: The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

2. STATE OF COMPANY'S AFFAIRS

2.1 Review of Standalone Financial Results

The revenue from operations of the Company for the year ended March 31, 2024 stood at INR 1,253.72 lakhs as against INR 954.49 lakhs in the previous financial year. The total Income stood at INR 1,271.12 lakhs for the year ended March 31, 2024 as compared to INR 1,105.18 lakhs in the previous financial year.

The standalone profit before tax was INR 435.08 lakhs as compared to INR 2,112.54 lakhs in the previous financial year. The profit after tax stood at INR 320.44 lakhs as compared to INR 1,774.08 lakhs in the previous financial year.

2.2 Review of Consolidated Financial Results

The consolidated revenue from operations of the Company for the year ended March 31, 2024 stood at INR 20,918.02 lakhs as against INR 16,305.26 lakhs in the previous financial year. The Total Income stood at INR 20,994.41 lakhs for the year ended March 31, 2024 as compared to INR 16,433.94 lakhs in the previous financial year.

The consolidated profit before tax was INR 869.85 lakhs as compared to INR 2,274.79 lakhs in the previous financial year.

The profit after tax stood at INR 705.95 lakhs as compared to INR 1,923.94 lakhs in the previous financial year.

For the FY 2022-23, Standalone & Consolidated profits included an exceptional gain to the tune of INR 2,091.57 lakhs on account of sale of land by the company.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2024.

4. DIVIDEND

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

5. TRANSFER TO RESERVES

Your Board of Directors have transferred an amount of INR 64.09 lakhs to the Statutory Reserve maintained under Section 45 IC of the RBI Act, 1934 for the FY 2023-24.

6. SHARE CAPITAL

The Paid-up Equity Capital of the Company as on March 31, 2024 stood at INR 1,99,50,000 consisting of 99,75,000 equity shares of INR 2 each. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares. The Company has paid Listing Fees for the FY 2023-24 to each of the Stock Exchanges, where its equity shares are listed.

7. ANNUAL RETURN

As provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 ("the Act"), the Annual Return for FY 2023-24 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, four Board Meetings and four 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 Requirements) Regulations, 2015 ("LODR Regulations").

Pursuant to provisions of part VII of the Schedule IV of the Act and Regulation 25 of the LODR Regulations, one meeting of Independent Directors was held on May 17, 2023 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, Digisol Systems Limited and Synegra EMS Limited in compliance with Section 186 of the Companies Act, 2013. Particulars of the guarantees given during the year under review in accordance with Section 186 of the Act, have been disclosed in the financial statements.

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 the provisions of Section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of the LODR Regulations. None of the transactions with related parties falls under the scope of Section 188(1) of the Act.

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

The disclosures as required under IND-AS have been made in the notes to the Standalone Financial Statements. The particulars of contracts or arrangements entered into by the Company with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure – J in Form AOC-2 and the same forms part of this Directors' 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>.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes/ commitments affecting the financial position of the Company during the period from the end of the financial year on March 31, 2024 to the date of this 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 the notes to the standalone Financial Statements of the Company forming part of this report.

13. SCHEME OF AMALGAMATION

The Board of Directors at its meeting held on February 09, 2024 approved the Scheme of amalgamation of Synegra EMS Limited ("Synegra"), wholly owned subsidiary with the Company. Synegra is engaged in the business of manufacturing of various categories of electronic and IT products on job work basis and also engaged in contract manufacturing for original equipment manufacturers.

The amalgamation is being done to foray into design, development, research in the field of Information Technology on networking products at the holding company level, reduce managerial overlaps, regulatory compliances which are necessarily involved in running multiple entities and elimination of duplication of administrative expenses, consequently enabling cost savings, ease in raising funds at Holding Company level and economies of scale, greater integration, flexibility and market reach for the amalgamated entity.

The amalgamation is in its initial phase and the Company has filed the application with the Honorable National Company Law Tribunal, Mumbai.

14. DETAILS OF SUBSIDIARY COMPANIES

The Company has two subsidiaries, namely Digisol Systems Limited and Synegra EMS Limited as on March 31, 2024.

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

In accordance with Section 136 of the Act, 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.

Digisol Systems Limited and Synegra EMS Limited are unlisted Material Subsidiaries of the Company. The Company has formulated a Policy on Material Subsidiary as required under LODR 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>.

15. RISK MANAGEMENT

Pursuant to section 134(3)(n) of the Act, 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.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Key Managerial Personnel

Mr. Kamalaksha Rama 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 Act. There was no change in the Key Managerial Personnel during the year under review.

b. Appointment of Directors

Mr. Satish Vishnu Godbole (DIN 02596364) has been appointed as an Additional Director designated as Non-Executive Independent Director of the Company with effect from March 31, 2024.

Dr. Lakshana Amit Sharma (DIN 10525082) has been appointed as an Additional Director designated as Non-Executive Non-Independent Director of the Company with effect from March 31, 2024.

Mr. Chandrashekhar Maruti Gaonkar (DIN 00002016) has been appointed as an Additional Director designated as Non-Executive Independent Director of the Company with effect from May 09, 2024.

c. Re-appointment of Directors

Mr. Kamalaksha Naik (DIN 00002013), Executive Chairman of the Company was appointed for a term of 5 years with effect from December 26, 2019 to hold office upto December 25, 2024. His term of appointment is due to expire on December 25, 2024. The Board of Directors upon recommendation of the Nomination and Remuneration Committee, at its meeting held on May 09, 2024, approved the reappointment of Mr. Naik as Executive Chairman (Wholetime-Director) of the company for a further period of 5 years to take effect from December 26, 2024. The reappointment is subject to approval of the shareholders in the general meeting. A resolution proposing his reappointment for a further period of 5 years with effect from December 26, 2024 forms part of the Annual General Meeting ("AGM") Notice.

Mr. Kamalaksha Naik (DIN 00002013), Executive Chairman of the Company, who retired by rotation in terms of Section 152(6) of the Companies Act, 2013 was re-appointed as Executive Director of the Company at the 30th AGM held on August 25, 2023.

Ms. Arati Naik (DIN 06965985), Executive Director retires by rotation and being eligible, offers herself for re-appointment. The Business item seeking shareholders' approval for her re-appointment forms part of the AGM Notice.

In the opinion of the Board, Mr. Satish Godbole and Mr. Chandrashekhar Gaonkar appointed as an Additional Directors designated as Non-Executive Independent Directors possesses requisite integrity, expertise, experience and proficiency.

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.

d. Retirement of Directors

During the year under review, Mr. Pankaj Madhav Baliga (DIN 00002864) and Mr. Krishnanand Maruti Gaonkar (DIN 00002425), Independent Directors of the Company ceased to be directors of the Company due to completion of tenure on March 31, 2024. The Board places on record its appreciation for the assistance and guidance provided by Mr. Baliga and Mr. Gaonkar during their tenure as Independent Directors of the Company.

e. 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 LODR Regulations.

17. 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.

18. 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.

19. DEPOSITS FROM PUBLIC

The Company has neither invited nor accepted any deposits from the public during the FY 2023-24. The Company does not intend to invite or accept any deposits during the FY 2024-25 and as such no amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

20. 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 2023-24 is attached herewith as Annexure - B. There are no qualifications, observations or adverse remarks or disclaimer in the said report.

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

The Annual Secretarial Compliance Report of the Company for the financial year ended March 31, 2024 on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder was obtained from Mr. Shivaram Bhat, Secretarial Auditor. The report is uploaded on the website of the company at <https://www.smartlinkholdings.com/wp-content/uploads/2024/05/Smartlink-Secretarial-Compliance-Report-31-03-2024.pdf>

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Act, 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 not required to spend any amount on CSR activities in the FY 2023-24. The requisite details on CSR activities pursuant to Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as Annexure – H to this Report.

22. 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 LODR 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 Directors' 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 Act, it is stated that there were no such instances where the Board of Directors have not accepted the recommendations of the Audit Committee during the FY 2023-24.

23. 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 Act, and the LODR Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

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

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

24. 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 LODR Regulations. The details of meetings and their attendance are included in the Corporate Governance Report.

25. 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 LODR Regulations. The details of the composition of the Stakeholders Relationship Committee are given in the Corporate Governance Report which forms part of this report.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177 of the Act, 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 its Audit Committee has not received any complaints relating to unethical behavior, actual or suspected fraud or violation of company's code of conduct from any employee or director.

27. CORPORATE GOVERNANCE

As required under Schedule V of the LODR Regulations, the Report on Corporate Governance as well as the Auditor's Certificate regarding compliance of Conditions of Corporate Governance forms a part of Directors' Report as Annexure – E and Annexure – F respectively.

28. STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

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

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

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

There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as at the end of the FY 2023-24.

30. 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.

31. STATUTORY AUDITOR AND AUDIT REPORTS

M/s Shridhar & Associates, Chartered Accountants (having FRN 134427W) were appointed as the Statutory Auditors of the Company for a period of four years of the first term, commencing from FY 2022-23. The Statutory Auditors have given a confirmation to the effect that they are eligible to be appointed and not disqualified from continuing as the Statutory Auditors. During the year under review, the auditors have not reported any matter under Section 143(12) of the Act.

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

32. COST AUDIT

During the relevant period for the purpose of Section 148 of the Act, 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.

33. 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 LODR Regulations, is appended to the Directors' report as Annexure - A.

34. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts for the financial year ended March 31, 2024, 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, 2024 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.

35. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

a) Transfer of unclaimed dividend

Pursuant to the applicable provisions of the Act, 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. No dividend remained unpaid or unclaimed which was required by the company to be transferred to the IEPF Authority in the FY 2023-24.

b) Transfer of Shares to IEPF

According to the provisions of section 124 of the Act, and Rules made thereunder, the shares on which dividend has not been paid or claimed by shareholders for seven consecutive years shall be transferred to Demat account of IEPF Authority. There were no shares transferred to the IEPF Authority during the FY 2023-24.

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

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

36. PREVENTION OF INSIDER TRADING

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

37. 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.

38. GREEN INITIATIVE

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 31st AGM are sent to all members whose email addresses are registered with the Company / Registrar / Depository Participant(s). The Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTA.

The requirement of sending physical copies of Annual Report to those shareholders who have not registered their email addresses is dispensed with for Listed Entities who would be conducting their AGMs upto September 30, 2024 vide SEBI CIRCULAR NO. SEBI/HO/DDHS/P/CIR/2023/0164 dated October 07, 2023. In this respect the physical copies are not being sent to the shareholders. The copy of the same would be available on the website of the Company at www.smartlinkholdings.com. 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 Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the AGM Notice.

39. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

K. R. Naik

Executive Chairman

DIN: 00002013

Arati Naik

Executive Director

DIN: 06965985

Place: Mumbai

Date: May 09, 2024

Place: Mumbai

Date: May 09, 2024

Management Discussion and Analysis

ECONOMIC OVERVIEW

The world economy is expected to grow by 3.2% in 2024 and 2025, similar to 2023 according to the baseline projection of World Economic Outlook. Advanced economies will slightly speed up, with growth rising from 1.6% to 1.7% in 2024 and 1.8% in 2025. Meanwhile, emerging markets and developing economies will see a small slowdown from 4.3% to 4.2% in both 2024 and 2025.

Global growth is projected to be at its lowest in decades, around 3.1% five years from now. Inflation will decrease from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies reaching their inflation targets sooner than emerging markets.

Core inflation will decline more gradually. Despite significant central bank interest rate hikes to restore price stability, the global economy has remained surprisingly resilient.

THE INDIAN ECONOMY

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at INR 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of INR 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23.

Strong domestic demand for consumption and investment, along with the Government's continued emphasis on capital expenditure are seen as among the key drivers of the GDP in the first half of FY24.

During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodities. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

INDUSTRY OUTLOOK IN INDIA

FICCI's latest Economic Outlook Survey puts forth an annual median GDP growth forecast for 2023-24 at 6.3 percent. The median growth forecast for agriculture and allied activities has been put at 2.7 percent for 2023-24, while industry and services sector are anticipated to grow by 5.6 percent and 7.3 percent respectively. CPI based inflation has a median forecast of 5.5 percent for 2023-24, with a minimum and maximum range of 5.3 percent and 5.7 percent respectively. Based on the responses

of the participating economists, the median forecast for exports has been put at USD 425.3 billion and for imports at USD 682.3 billion in 2023-24. RBI's policy repo rate is projected to be maintained at 6.5 percent until the end of the fiscal year 2023-24. (Source: FICCI)

Reference: G00NPH5xg4pITZpiJ57cVFZbWlxcGjd79eRoU6yD.pdf (ficci.in)

The Indian Networking Industry

According to International Data Corporation's (IDC) Worldwide Semiannual Services Tracker, the Indian IT & Business Services market was valued at US\$7.14 billion in 1st half 2023 and recorded a 6.3% year-over-year (YoY) growth as compared to 7.4% in 1st half 2022. The slowing in growth rate is due to the restraint in IT spending among Indian enterprises brought by macroeconomic headwinds.

Indian enterprises invested in critical IT projects to gain quicker time to value in their key focus areas like enhancing customer experience, cybersecurity, and optimization of IT infrastructure and operations. Despite being cautious with IT services investments in the near term due to macroeconomic headwinds, Indian enterprises' investments in the upcoming years will be fueled by cloud, cybersecurity, and emerging technologies like Generative AI and 5G.

Within the IT & Business Services market, IT Services contributed 78.9% and grew by 6.7% in the 1st half of 2023 compared to the 8.1% growth in the 1st half of 2022. The IT & Business Services market is projected to grow at a CAGR of 7.2% between 2022-2027 and reach US\$ 19.59 billion by the end of 2027.

IDC classifies the IT & Business Services market into three primary markets – Project-Oriented, Managed Services, and Support Services. In the first half of 2023, project-oriented services registered the highest growth rate at 6.9%, followed by managed services at 6.0%, and support services at 5.3% respectively.

India's networking market, which includes Ethernet Switch, Routers, and WLAN segments, have very strong growth potential because of product availability and the demand for cloud technologies, cybersecurity, and emerging technologies like Generative AI and 5G. (Source: IDC)

BUSINESS OVERVIEW

SMARTLINK HOLDINGS LIMITED

Smartlink Holdings Ltd. has been in the Networking Products

THE INDIAN NETWORKING MARKET IN 2023

(Values in USD million)

| Particulars | Q1 2023 | | Q2 2023 | | Q3 2023 | | Q4 2023 | |
|--------------------------|---------|--------|---------|--------|---------|--------|---------|--------|
| | Value | Growth | Value | Growth | Value | Growth | Value | Growth |
| Ethernet Switch Market | 200 | 31.8% | 182 | 7.7% | 227 | 14.1% | 187 | ↓9.0% |
| Router Market | 66 | 6.7% | 86 | 3% | 77 | ↓5% | 86 | ↓6.5% |
| WLAN | 85 | 33% | 57 | 37% | 51 | ↓0.6% | 56 | 4.00% |
| Indian Networking Market | | 23.8% | | 15.80% | | 2.70% | | ↓3.80% |

Source: "IDC WLAN AND LAN" tracker report

business for more than three decades and involved in sourcing, manufacturing, sales, marketing, and support. The Company has two independent subsidiaries, namely, Digisol Systems Limited and Synegra EMS Limited along with newly incorporated R&D facilities to enhance the businesses in a focused manner using its expertise of over three decades. Smartlink Holdings Ltd. is now an NBFC with assets and cash investments which includes investment in the two subsidiary companies.

DIGISOL SYSTEMS LIMITED

Digisol Systems Ltd. is the First Indian Brand in IT Networking that is taking India forward with its top-notch Product offerings in various verticals like Smart Cities, Manufacturing, Real Estate, Healthcare, Telecom, Hospitality, Education, Retail, Surveillance, Data Centers, IT and Retail.

Digisol Systems is a brand product company with Sales, Marketing and all India Service Support.

Digisol offers an extensive range of IT networking products, including Structured Cabling systems (copper and fiber), FTTH, Switching, and Wireless solutions.

The FTTH products range includes – XPON, GEAPON, GPON, ONU, OLTs, Splitters, Fiber Distribution Box, and Fiber cables.

Switching solutions range includes a wide range of Managed, Unmanaged, fully managed, Lite/Smart managed, Chassis Switch, Industrial Switch, Transceiver, Media converters, Multigig Switches.

Wireless solutions range includes Wifi-6 Indoor / Outdoor / Enterprise Access Points, Controllers and Range Extender.

The Structured Cabling product range includes Solid Cable, Keystones, Patch Panels, Copper Patch Cord, Faceplates, RJ45 Connectors, Fiber Patch Cords, Pigtail, Fiber LIUs, Splitters etc.

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

SYNEGRA EMS LIMITED

Synegra EMS Limited is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra has large, certified manufacturing & R&D facilities in Goa which include 2 SMT lines. It manufactures all kinds of products from PCB assemblies to the latest FTTH and Wi-Fi products, Telecom products, Chargers for electric vehicles and Defense applications products. SYNEGRA sources detail parts from local suppliers as well as from well-known companies worldwide. Synegra EMS Ltd is an Electronics Manufacturing Services (EMS) Company with a highly skilled team for electronics manufacturing including components sourcing for over three decades. It also provides contract manufacturing services to DIGISOL SYSTEMS LTD. as well as other electronics brands and companies. Synegra has widened its activities by venturing into the manufacturing of Chargers for Electric Vehicles. It anticipates steady growth with its manufacturing capacity suited for both export as well as domestic markets under the Make in India initiative of the Government of India.

FINANCIAL PERFORMANCE

i) Standalone Financials

In the financial year 2023-24, the Company achieved a Revenue from operations of INR 1,253.72 lakhs as compared to INR 954.49 lakhs in the previous year. The Company's Profit after Tax for the year ending March 31, 2024 was INR 320.44 lakhs as compared to profit after tax of INR 1,774.08 lakhs in the previous year.

Key Financials Ratio:

| Particulars | FY 2024 | FY 2023 |
|--------------------------------|---------|---------|
| Current Ratio (in %) | 82.98 | 40.12 |
| Operating profit Margin (in %) | 43.57 | 12.66 |
| Net Profit Margin (in %) | 25.21 | 160.52 |
| Return on Net Worth (in %) | 1.57 | 8.83 |

ii) Consolidated Financials

In the financial year 2023-24, the group achieved a Revenue from operations of INR 20,918.02 lakhs as compared to INR 16,305.26 lakhs in the previous year. The consolidated profit after tax for the year ending March 31, 2024 was INR 705.95 lakhs as compared to profit after tax of INR 1,923.94 lakhs in the previous year.

For the FY 2022-23, Standalone & Consolidated profits included an exceptional gain to the tune of INR 2,091.57 lakhs on account of sale of land by the company.

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:

- 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 is 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, 2024, the Smartlink Group has 200+ employees. Smartlink's future success evolves around our ability to attract top talent, retain, and motivate highly qualified technical and management personnel, to approach the VUCA world.

RISK FACTORS

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

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

The company's subsidiaries are exposed to fluctuations in foreign exchange rate, in particular the movement of US dollar vis-à-vis the Indian Rupee as the subsidiaries import more than 60% of the components 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.

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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") as of March 31, 2024. Based on its evaluation (as defined in section 177 of Companies Act, 2013 and Regulation 18 of LODR Regulations, our audit committee has concluded that, as of March 31, 2024, 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, 2024

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

To The Members,

SMARTLINK HOLDINGS LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2024 (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, 2024 according to the provisions of:

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

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

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

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

I further report that -

Secretarial Audit Report

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) The Board of Directors have, subject to the approval of the members of the Company, appointed –
 - a. Mr. Satish Godbole as the Additional Director (Non-Executive Independent Director) of the Company with effect from March 31, 2024 for period of five consecutive years;
 - b. Dr. Lakshana Sharma as the Additional Director (Non-Executive Non-Independent Director) of the Company with effect from March 31, 2024 for period of five consecutive years.
- b) The Board of Directors have approved scheme of amalgamation of Synegra EMS Limited (wholly-subsidiary of the Company) with Smartlink Holding Limited (Holding Company) subject to necessary approvals.

Shivaram Bhat

Place: Panaji, Goa
Date : 09/05/2024

Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454F000343523

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

'ANNEXURE A'

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

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

Shivaram Bhat

Place: Panaji, Goa
Date : 09/05/2024

Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454F000343523

Annexure - C

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To The Members,

DIGISOL SYSTEMS LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2024 (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, 2024 according to the provisions of:

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

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

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

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

I further report that -

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

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

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

Place: Panaji, Goa
Date : 09/05/ 2024

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454F000343490

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

'ANNEXURE A'

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

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

Place: Panaji, Goa
Date : 09/05/2024

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454F000343490

Annexure - D

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

To The Members,

SYNEGRA EMS LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2024 (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, 2024 according to the provisions of:

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

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

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

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

I further report that –

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

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

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

I further report that during the audit period the Board of Directors have approved scheme of amalgamation of the Company with Smartlink Holding Limited (Holding Company) subject to necessary approvals.

Place: Panaji, Goa
Date : 09/05/ 2024

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454F000343481

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

'ANNEXURE A'

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

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

Place: Panaji, Goa
Date : 09/05/2024

Shivaram Bhat
Practicing Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454F000343481

Annexure-E

Report on Corporate Governance

The detailed report on Corporate Governance as per the requirements of the 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 “LODR 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 8 members consisting of 2 Executive Directors, 1 Non-Executive Non-Independent Director and 5 Non-Executive Independent Directors. The Board consists of 2 Women Directors. The Company has an Executive Chairman. The names and category of each Director is given below.

| Name of the Director | Category |
|--------------------------------|---|
| Mr. Kamalaksha Rama Naik | Executive Chairman and Promoter |
| Ms. Arati Kamalaksha Naik | Executive Director and Promoter |
| Mr. Krishnanand Maruti Gaonkar | Non-Executive and Independent |
| Mr. Pankaj Madhav Baliga | Non-Executive and Independent |
| Mr. Bhanubhai Ramjibhai Patel | Non-Executive and Independent |
| Mr. Pradeep Anant Rane | Non-Executive and Independent |
| Mr. Satish Vishnu Godbole | Non-Executive and Independent |
| Dr. Lakshana Amit Sharma | Non-Executive, Non Independent and Promoter |

None of the Directors on the Board hold directorships in more than ten public Companies and 7 listed entities. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public Companies in which he or she is a Director. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2024 have been made by the Directors. None of the Directors are related except Mr. K. R. Naik, Ms. Arati Naik and Dr. Lakshana Sharma.

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 2023-24 | Attendance at AGM held on August 25, 2023 | No. of other Directorships (as on 31.03.2024) [#] | No. of Committee Positions in Mandatory Committees [@] | |
|----------------------------------|-----------------|--|---|--|---|----------|
| | | | | | Member | Chairman |
| Mr. Kamalaksha Naik | EC | 4 | Yes | 2 | Nil | Nil |
| Mr. Krishnanand Gaonkar | NED and IND | 4 | Yes | 1 | Nil | Nil |
| Mr. Pankaj Baliga | NED and IND | 4 | Yes | 1 | Nil | Nil |
| Mr. Bhanubhai Patel | NED and IND | 4 | Yes | 1 | Nil | Nil |
| Mr. Pradeep Rane | NED and IND | 3 | Yes | 1 | Nil | Nil |
| Ms. Arati Naik | ED | 4 | Yes | 1 | Nil | Nil |
| Mr. Satish Godbole [§] | NED and IND | NA | NA | 1 | 2 | 1 |
| Dr. Lakshana Sharma [§] | NED and Non IND | NA | NA | Nil | Nil | Nil |

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

[#] Excludes Directorships in Private and Foreign Companies

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

[§] Mr. Satish Godbole & Dr. Lakshana Sharma were appointed as Independent Director & Non Executive- Non Independent Director respectively w.e.f March 31, 2024.

Report on Corporate Governance

- c) The Company held 4 Board Meetings during the Financial Year ("FY") 2023-24 dated May 17, 2023, August 03, 2023, November 08, 2023 and February 09, 2024, 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 the FY 2023-24, information as mentioned in Part A of Schedule II of the LODR Regulations, has been placed before the Board for its consideration.
- d) During the FY 2023-24, one meeting of the Independent Directors was held on May 17, 2023. 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, 2024 are given below:

| Name | Category | Number of equity shares |
|-------------------------|---|-------------------------|
| Mr. K. R. Naik | Executive Chairman | 49,45,214 |
| Mr. Krishnanand Gaonkar | Independent, Non-Executive Director | 14,513 |
| Ms. Arati Naik | Executive Director | 9,34,833 |
| Dr. Lakshana Sharma | Non-Executive, Non Independent Director | 7,94,608 |

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 Act, Regulation 25 of LODR Regulations and other relevant Regulations and his/her affirmation is taken with respect to the same.

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

h) Key Board qualifications, expertise, competence and attributes

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

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

| Name of the Director | Financial | Strategic Planning | Corporate Governance | Leadership Operational Experience |
|-------------------------|-----------|--------------------|----------------------|-----------------------------------|
| Mr. K. R Naik | ✓ | ✓ | ✓ | ✓ |
| Ms. Arati Naik | ✓ | ✓ | ✓ | ✓ |
| Mr. Krishnanand Gaonkar | ✓ | ✓ | ✓ | ✓ |
| Mr. Bhanubhai Patel | ✓ | ✓ | ✓ | ✓ |
| Mr. Pradeep Rane | ✓ | ✓ | ✓ | ✓ |
| Mr. Pankaj Baliga | ✓ | ✓ | ✓ | ✓ |
| Mr. Satish Godbole | ✓ | ✓ | ✓ | ✓ |
| Dr. Lakshana Sharma | – | – | ✓ | ✓ |

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 Act. In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified under Section 149(6) of the Act and Regulation 16(1) (b) of the LODR Regulations, 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 LODR Regulations and Section 177 of the Act.

Report on Corporate Governance

As of March 31, 2024, the Committee consisted of four Independent Directors. The composition of audit committee and particulars of attendance by the members at the meetings of the Committee held in FY 2023-24 are given below:

| Names | Category of Director | No. of meetings attended |
|-----------------------------|----------------------------|--------------------------|
| Mr. Pankaj Baliga– Chairman | Independent, Non-Executive | 4 |
| Mr. Krishnanand Gaonkar | Independent, Non-Executive | 4 |
| Mr. Pradeep Rane | Independent, Non-Executive | 3 |
| Mr. Bhanubhai Patel | Independent, Non-Executive | 4 |

b) Meetings during the year

Four Audit Committee meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The Audit Committee meetings were held on May 17, 2023, August 03, 2023, November 08, 2023 and February 09, 2024. 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 LODR 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 at the AGM of the Company held on August 25, 2023 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 Act, 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 statements are 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 of the Act;
 - 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; and
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) of LODR Regulations.
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of LODR Regulations.

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 LODR Regulations.

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

As on March 31, 2024, the NRC consisted of 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 2023-24 are given below:

| Members | Category of Director | No. of Meetings Attended |
|------------------------------------|----------------------------|--------------------------|
| Mr. Krishnanand Gaonkar – Chairman | Independent, Non-Executive | 2 |
| Mr. Pradeep Rane | Independent, Non-Executive | 1 |
| Mr. Pankaj Baliga | Independent, Non-Executive | 2 |

The Chairman of NRC was present for the AGM of the Company held on August 25, 2023 for resolving queries of the shareholders.

b) Meetings during the year

During the FY 2023-24, Two Committee meetings of Nomination and Remuneration were held on May 17, 2023 and February 09, 2024.

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 LODR Regulations.

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 the Companies Act, 2013 and Schedule IV (Section 149(8)) of the Act, and Regulation 17 (10) of the LODR Regulations, 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 2023-24.

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 PF, Perquisites & Commission |
|--|--|
| Mr. Kamalaksha Naik – Executive Chairman | Nil |
| Ms. Arati Naik – Executive Director | Nil |

Salient features of the Terms of Appointment

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

2. Non-Executive Directors

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

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

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

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

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

| Non-Executive Directors | Sitting Fees (INR) |
|-------------------------|--------------------|
| Mr. Krishnanand Gaonkar | 5,05,000 |
| Mr. Pankaj Baliga | 5,05,000 |
| Mr. Pradeep Rane | 3,50,000 |
| Mr. Bhanubhai Patel | 4,00,000 |
| Mr. Satish Godbole | NA* |
| Dr. Lakshana Sharma | NA* |

* Mr. Satish Godbole & Dr. Lakshana Sharma were appointed as Directors w.e.f March 31, 2024.

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 LODR 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, 2024, the Stakeholders Relationship Committee comprised of Three Directors comprising Two Independent and One Executive Director.

The composition of the Committee and details of attendance by its members at the meetings of the Committee held in FY 2023-24 are given below:

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

c) During the year, one meeting of the Stakeholders Relationship Committee was held on May 17, 2023. 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 LODR Regulations.

e) Details of investors complaints received and redressed during the FY 2023-24 are as follows

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| NIL | 9 | 9 | NIL |

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The provisions under Section 135(1) of the Act for constitution of the Corporate Social Responsibility Committee was not applicable to the Company and accordingly the functions of the Committee as provided under section 135 of the Act are being discharged by the Board of Directors of the company.

7. RISK MANAGEMENT POLICY

In accordance with the provisions of the Act and LODR 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 |
|---|--------------------|------------|
| | August 25, 2023 | 11.00 a.m. |
| L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 | September 23, 2022 | 11.00 a.m. |
| | September 30, 2021 | 11.00 a.m. |

b) Special Resolutions Passed

1. Special Resolutions passed at the last Annual General Meeting held on August 25, 2023:
There were no special resolutions passed at the last Annual General Meeting held on August 25, 2023.
2. Special Resolutions passed at the Annual General Meeting held on September 23, 2022:
There were no special resolutions passed at the Annual General Meeting held on September 23, 2022.
3. Special Resolutions passed at the Annual General Meeting held on September 30, 2021:
 - i. Re-appointment of Mr. Pradeep Anant Rane as an Independent Director to hold office for second term of Five consecutive years from August 05, 2021 upto August 04, 2026;
 - ii. Re-appointment of Ms. Arati Naik as a Wholetime Director designated as Executive Director to hold office for a period of Five consecutive years with effect from April 01, 2022.

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

None

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

None

9. MEANS OF COMMUNICATION

| Quarterly Results | Published in Newspapers |
|--|---|
| Newspapers in which normally published | Financial Express, The Times of India (in English) and Pudhari (in Marathi) |
| Any website, where displayed | 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 : August 10, 2024

Time : 11.00 a.m. IST

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, 2025, the results will be announced as per the tentative schedules below:

| Particulars | Date* |
|------------------------|--------------------------------|
| First Quarter Results | On or before August 14, 2024 |
| Second Quarter Results | On or before November 14, 2024 |
| Third Quarter Results | On or before February 14, 2025 |
| Fourth Quarter Results | On or before May 30, 2025 |

* 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, July 26, 2024 to Thursday, August 01, 2024 (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.

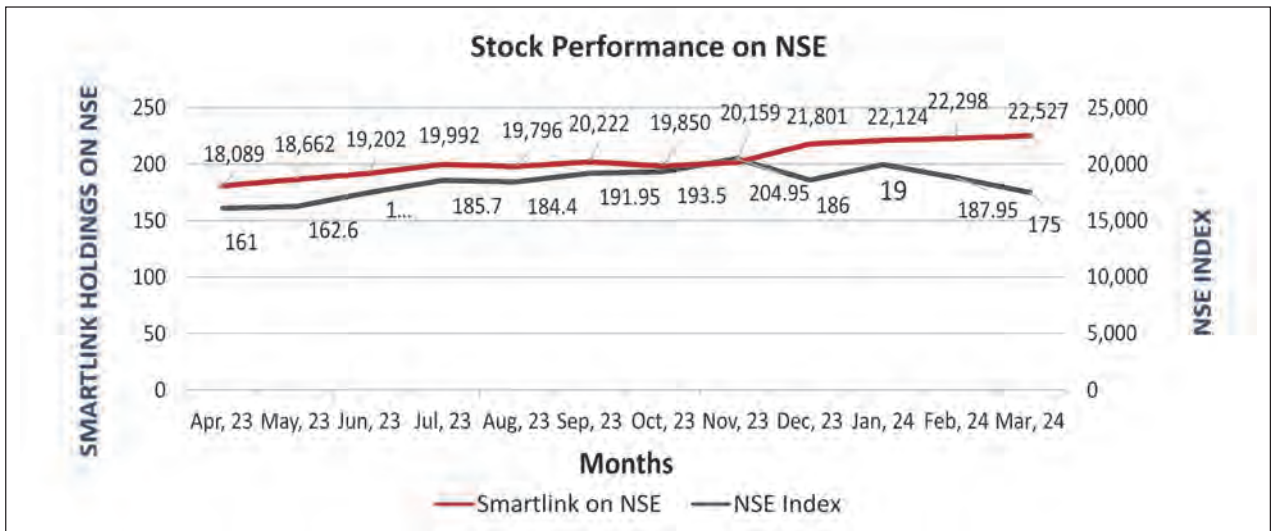
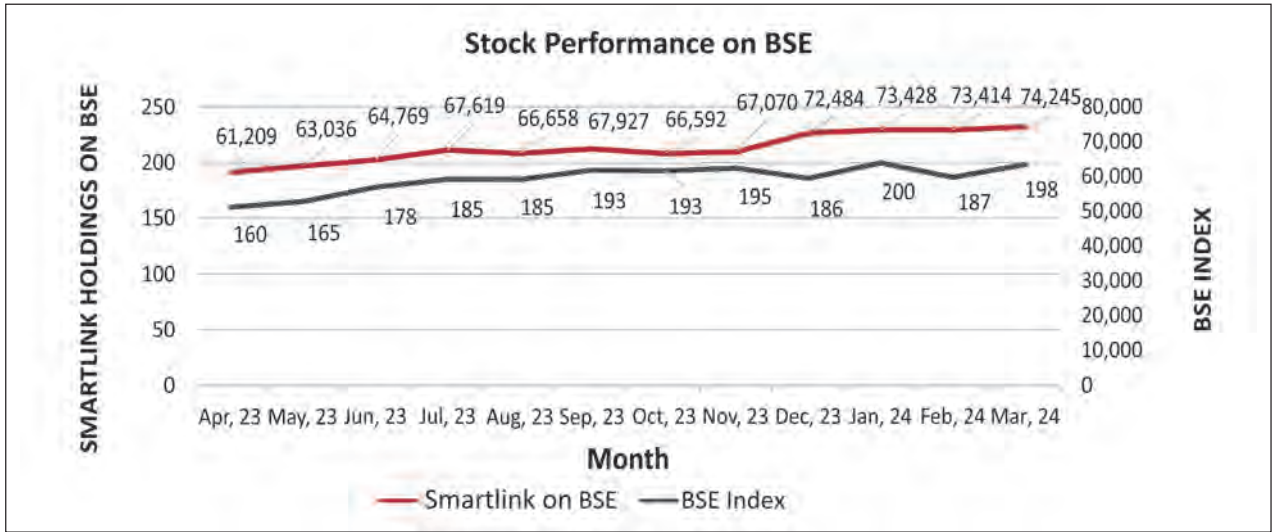
The listing fees were paid to the stock exchanges.

| Name & Address of the Stock Exchanges | Stock Code/ Scrip Code | ISIN Number for NSDL/CDSL (Dematerialised Shares) |
|--|---------------------------|--|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 | 532419 | INE178C01020 |
| 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 FY 2023-24 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 2023 | 160.00 | 142.80 | 61,209 | 58,793 | 161.00 | 142.80 | 18,089 | 17,313 |
| May 2023 | 165.00 | 145.80 | 63,036 | 61,002 | 162.60 | 145.40 | 18,662 | 18,042 |
| Jun 2023 | 178.00 | 151.15 | 64,769 | 62,359 | 174.95 | 155.00 | 19,202 | 18,465 |
| Jul 2023 | 185.05 | 156.45 | 67,619 | 64,836 | 185.70 | 156.65 | 19,992 | 19,234 |
| Aug 2023 | 184.95 | 161.20 | 66,658 | 64,724 | 184.40 | 165.00 | 19,796 | 19,224 |
| Sep 2023 | 193.20 | 163.00 | 67,927 | 64,818 | 191.95 | 160.00 | 20,222 | 19,256 |
| Oct 2023 | 192.60 | 160.00 | 66,592 | 63,093 | 193.50 | 162.50 | 19,850 | 18,838 |
| Nov 2023 | 195.00 | 166.25 | 67,070 | 63,550 | 204.95 | 165.55 | 20,159 | 18,974 |
| Dec 2023 | 185.95 | 163.00 | 72,484 | 67,149 | 186.00 | 163.55 | 21,801 | 20,184 |
| Jan 2024 | 199.80 | 175.50 | 73,428 | 70,002 | 199.70 | 174.70 | 22,124 | 21,137 |
| Feb 2024 | 186.85 | 168.65 | 73,414 | 70,810 | 187.95 | 168.10 | 22,298 | 21,530 |
| Mar 2024 | 198.20 | 156.00 | 74,245 | 71,674 | 175.00 | 158.00 | 22,527 | 21,710 |



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

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

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

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

Report on Corporate Governance

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

In compliance with the LODR 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, 2024

| Sr. No. | Category (Shares) From – To | Number of shareholders | No. of Shares | % to Equity Capital |
|---------|-----------------------------|------------------------|------------------|---------------------|
| 1. | 1-500 | 11,388 | 9,68,779 | 9.71 |
| 2. | 501-1000 | 423 | 3,34,429 | 3.35 |
| 3. | 1001-2000 | 205 | 3,08,609 | 3.09 |
| 4. | 2001-3000 | 55 | 1,38,416 | 1.39 |
| 5. | 3001-4000 | 24 | 84,522 | 0.85 |
| 6. | 4001-5000 | 28 | 1,32,439 | 1.33 |
| 7. | 5001-10000 | 42 | 3,29,881 | 3.31 |
| 8. | 10001 and above | 25 | 76,77,925 | 76.97 |
| | Total | 12,190 | 99,75,000 | 100 |

k) Shareholding Pattern as on March 31, 2024

| Sr. No. | Category of Shareholders | Total Holdings | Holdings in % |
|---------|--|------------------|---------------|
| 1. | Promoter and Promoter Group | 72,60,456 | 72.79 |
| 2. | Financial Institutions / Banks/ Trusts | 0 | 0.00 |
| 3. | Bodies Corporate | 2,15,384 | 2.16 |
| 4. | Foreign Portfolio Investors | 0 | 0.00 |
| 5. | Individuals | 23,17,160 | 23.23 |
| 6. | Clearing Members | 57 | 0.00 |
| 7. | NRI's | 57,923 | 0.58 |
| 8. | NBFC | 0 | 0.00 |
| 9. | IEPF account | 26,002 | 0.26 |
| 10. | HUF | 98,018 | 0.98 |
| | TOTAL | 99,75,000 | 100 |

l) Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on March 31, 2024 is 99,67,246 representing 99.92% of the total number of shares of the Company.

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

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

n) Plant Location

Not Applicable

o) Address for Correspondence

Shareholders Correspondence should be addressed to:

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

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

11. DISCLOSURES

- a) All related party transactions (RPTs) which were entered into during the FY 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 Act, and were also not material RPTs under Regulation 23 of LODR 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 access to the Chairman of the Audit Committee;
- d) The Company has complied with all mandatory requirements as stated in the LODR Regulations;
- 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, 2024. The Certificate forms part of this report;
- i) There are no instances where the board had not accepted any recommendations of any committees of the board which is mandatorily required, for the financial year ended March 31, 2024;
- j) M/s Shridhar & Associates, Chartered Accountants (Firm Registration No. 134427W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees on consolidated basis is given in note No. 35(1) of the Consolidated Financial Statement;
- k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - i. Number of complaints filed during the financial year – Nil;
 - ii. Number of complaints disposed off during the financial year – Nil;
 - iii. Number of complaints pending as 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) Details of material subsidiary of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiary

| Sr. No. | Name of Material Subsidiary | Date of Incorporation | Place of incorporation | Name of Statutory Auditors | Date of Appointment/ Reappointment |
|---------|-----------------------------|-----------------------|------------------------|----------------------------|--|
| 1. | Digisol Systems Limited | 17/8/2016 | Verna Goa | MSKA & Associates | Reappointment on 25-08-2023 for second term of 5 years |
| 2. | Synegra EMS Limited | 17/8/2016 | Verna Goa | MSKA & Associates | Reappointment on 25-08-2023 for a second term of 5 years |

- n) Compliance with Non-Mandatory Requirements
 - i. The Board of Directors:

The Company has an Executive Chairman. No separate office is maintained for Non-Executive Chairperson and the expenses incurred during performance of duties are reimbursed.
 - ii. Shareholder’s Right:

The Company does not send half yearly declaration of financial performance to its shareholders. The financial results are displayed on the Company’s website.
 - iii. Modified opinion in audit reports:

During the year under review, there were no audit qualifications on the Company’s financial statements.
 - iv. Reporting of Internal Auditor

The Company has appointed Marathe Rao & Swarup, Chartered Accountants as the Internal Auditor of the Company for reviewing the internal control system operating in the Company. The Internal Auditor reports directly to the Audit Committee.
- o) The Company has complied with all the mandatory requirements as stated in Regulation 72 of LODR Regulations and Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of LODR Regulations, as applicable, with regards to Corporate Governance;
- p) Disclosure with respect to Demat Suspense Account / Unclaimed suspense account:

There were no shares in the Demat suspense account or unclaimed suspense account during the FY 2023-24.

Annexure-F

Corporate Governance Compliance Certificate under SEBI LODR

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

To the members of **SMARTLINK HOLDINGS LIMITED**

I have examined the compliance with conditions of Corporate Governance by SMARTLINK HOLDINGS LIMITED (the Company) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31st March 2024.

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 09, 2024

Practicing Company Secretary
ACS10454 CP7853 PR 1775/2022
UDIN: A010454F000343512

Annexure - G

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

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

| Sr. No. | Name of the Director/Key Managerial Personnel | Ratio of the remuneration to the median remuneration of the employees | Percentage increase in remuneration |
|---------|---|---|-------------------------------------|
| 1. | Mr. Kamalaksha Naik - Executive Chairman & Promoter | NA | NA |
| 2. | Mr. Krishnanand Gaonkar - Independent Director | Nil | Nil |
| 3. | Mr. Pradeep Rane - Independent Director | Nil | Nil |
| 4. | Mr. Pankaj Baliga - Independent Director | Nil | Nil |
| 5. | Ms. Arati Naik - Executive Director & Promoter | NA | NA |
| 6. | Mr. Bhanubhai Patel - Independent Director | Nil | Nil |
| 7. | Mr. Satish Godbole - Independent Director* | Nil | Nil |
| 8. | Dr. Lakshana Sharma - Non Executive Director* | NA | Nil |
| 9. | Mr. K. G. Prabhu - Chief Financial Officer | NA | 9 |
| 10. | Ms. Urjita Damle - Company Secretary | NA | 6 |

Notes:

- Mr. Krishnanand Gaonkar, Mr. Pradeep Rane, Mr. Pankaj Baliga, and Mr. Bhanubhai Patel were paid sitting fees for attending the Meetings.
- There was no Remuneration paid to Mr. Kamalaksha Naik, Executive Chairman and Ms. Arati Naik, Executive Director during the Financial year ended March 31, 2024 as well as for the previous financial year.
- *Mr. Satish Godbole and Dr. Lakshana Sharma were appointed as Directors of the Company w.e.f. March 31, 2024.

- III. The percentage increase in the median remuneration of employees in the FY 2023-24 is 12.46%;
IV. The number of permanent employees on the rolls of Company as on March 31, 2024 were 20;
V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Increase in Managerial remuneration is in 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 12.94%;

- 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 of the company.

Annexure-H

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

1. Brief outline on CSR Policy of the Company

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

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

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

The Company has formulated a CSR Policy and the same is displayed on the website of the Company at: <https://www.smartlinkholdings.com/wp-content/uploads/2022/10/Smartlink-Corporate-Social-Responsibility-Policy.pdf>.

2. Composition of CSR Committee

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

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

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

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

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

NIL

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

NIL

(b) Amount spent in Administrative Overheads.

NIL

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

NIL

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

NIL

(e) CSR amount spent or unspent in Financial Year

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

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

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

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

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

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

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

K. R. Naik
Executive Chairman

Bhanubhai Patel
Director

Place: Mumbai
Date : May 09, 2024

Annexure-I

FORM AOC-1

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

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

Part "A": Subsidiaries

(in INR Lakhs)

| Sr. No | Particulars | Details | Details |
|--------|---|-------------------------|---------------------|
| 1 | Name of the subsidiary | Digisol Systems Limited | Synegra EMS Limited |
| 2 | The date since when subsidiary was acquired | 17th August, 2016 | 17th August, 2016 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. | N.A. |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | N.A. | N.A. |
| 5 | Share capital | 429.60 | 2,500.00 |
| 6 | Reserves & surplus | 2,093.62 | (1,056.84) |
| 7 | Total assets | 8,617.75 | 3,765.69 |
| 8 | Total Liabilities | 6,094.53 | 2,322.53 |
| 9 | Investments | - | 302.02 |
| 10 | Turnover | 17,928.24 | 8,843.83 |
| 11 | Profit/Loss before taxation | 173.63 | 296.06 |
| 12 | Provision for taxation | (49.26) | - |
| 13 | Profit/Loss after taxation | 124.37 | 296.06 |
| 14 | Other comprehensive income | (11.76) | (12.67) |
| 15 | Total Comprehensive Income for the year | 112.61 | 283.39 |
| 16 | Proposed Dividend | - | - |
| 17 | Extent of shareholding (In percentage) | 100 | 100 |

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

Part "B": Associates and Joint Ventures

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

Not Applicable

For and on behalf of the Board

Place: Mumbai
Date : May 09, 2024

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure - J

FORM NO. AOC-2

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

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

1. Details of contract or arrangements or transactions not at arm's length basis: Smartlink Holdings Limited ('the Company') has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during the financial year 2023-24. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
 - a. Name(s) of the related party and nature of relationship: Not Applicable
 - b. Nature of contracts/arrangements/transactions: Not Applicable
 - c. Duration of the contracts/arrangements/transactions: Not Applicable
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - f. Date(s) of approval by the Board: Not Applicable
 - g. Amount paid as advances, if any: Not Applicable
 - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

For SMARTLINK HOLDINGS LIMITED

K. R. Naik

Executive Chairman

DIN: 00002013

Place: Mumbai

Date : May 09, 2024

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, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---------|---------------------------|----------|--------------------------------|
| 1 | KAMALAKSHA RAMA NAIK | 00002013 | 31/03/1993 |
| 2 | BHANUBHAI RAMJIBHAI PATEL | 00223115 | 09/09/2014 |
| 3 | PRADEEP ANANT RANE | 01446215 | 26/12/2006 |
| 4 | ARATI KAMALAKSHA NAIK | 06965985 | 14/08/2015 |
| 5 | SATISH VISHNU GODBOLE | 02596364 | 31/03/2024 |
| 6 | LAKSHANA AMIT SHARMA | 10525082 | 31/03/2024 |

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 9, 2024

Practicing Company Secretary
ACS 10454, CP 7853, PR 1775/2022
UDIN: A010454F000343501

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, 2024, 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) Regulations, 2015.

For Smartlink Holdings Limited

Place: Mumbai
Date : May 9, 2024

K. R. Naik
Executive Chairman
DIN: 00002013

Independent Auditor's Report

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

Opinion

We have audited the standalone financial statements of Smartlink Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 (hereinafter referred to as the "Standalone Financial Statements").

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, 2024, 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.

Emphasis of Matter

We draw attention to Notes 63 to the Standalone Financial Statements in respect of a scheme of Amalgamation ("the Scheme") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 of Synegra EMS Limited, subsidiary company with the Company, subject to the requisite statutory and regulatory approvals. The appointed date for the Scheme shall be April 01, 2024. On the Scheme becoming effective and with effect from the Appointed date, the account for the Amalgamation will be done as per the "Appendix C" of Ind AS 103 - Business Combinations.

Our opinion is not modified in respect of this matter.

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, 2024 (current period). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Valuation of Investments in Bonds and Mutual Funds

Refer Note 10 to the standalone Financial Statements.

As at March 2024, the Company has investments of Rs. 11,357.29 Lakhs in mutual funds and bonds which constitutes about 53.68% of the total assets of the company. During the year, the Company has recognised Rs. 440.93 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, 2024.
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2024.
- 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.

2. Impairment of Investment in subsidiaries

Refer Note 10 in standalone financial statements.

The Company has investments in subsidiaries at a gross value of Rs. 7,051.09 lakhs as on March 31, 2024. These investments are valued at cost less provision for impairment.

As at March 31, 2024, the Company has cumulative provision of Rs. 1,790.21 lakhs for impairment 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 subsidiary.

Independent Auditor's Report

- 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, 2024.
- Verified the completeness and accuracy of the disclosures.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control with reference to Standalone Financial Statements.
 - (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, 2024.
 - 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.
 - vi. **In regard to Dynamics 365 Accounting Software:**

Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level throughout the year ended March 31, 2024 in respect of Dynamics 365 Accounting Software to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this Dynamics 365 Accounting Software during the year ended March 31, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.
 - In regard to ZING HR Software:**

Based on our examination, the Company has used an accounting software which is operated by a third-party software service provider for maintaining its payroll records. Based on an independent auditor's report of the service organization, the accounting software has a feature of recording audit trail (edit log) facility and the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software. Further, there were no instances of audit trail feature being tampered with.
3. In our opinion, according to information, explanations given to us, the remuneration for the year ended March 31, 2024 paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V to the Act.

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

Abhishek Pachlangia
Partner
Membership No. 120593
UDIN: 24120593BKCAMN4571

Place : Ghaziabad
Date : May 9, 2024

Annexure A to the Independent Auditor's Report OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[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, 2024]

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

(Amount in Rs. Lakhs):

| Particulars | Loans | Guarantees |
|--|----------|------------|
| Aggregate amount granted/provided during the year | | |
| - Subsidiaries | 3,340.00 | 6,300.00 |
| Balance Outstanding as at balance sheet date in respect of above cases | | |
| - Subsidiaries | NIL | 6,300.00 |

- (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 guarantee provided and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are not prejudicial to the interest of the Company.
- (c) In respect of the only loan granted by the Company to a Subsidiary, the schedule of repayment of principal and payment of interest has been stipulated in the loan agreement. Repayment or receipts of principal or interest have been regular considering the loans given by company to its subsidiary.
- (d) According to the information and explanation given to us, there is no amount overdue for more than ninety days in respect of loans given as the loan given by company to its subsidiary which are falling due during the year. Accordingly, the requirement to report on paragraph 3(iii)(d) of the Order is not applicable to the Company.
- (e) As per the information available to us, no loans or advances in the nature of loans granted have fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, So, the comments on this clause does not arise.
- (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 paragraph 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185. Further in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of the loans provided, investments made and guarantees provided to parties covered under section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any amount which are deemed to be deposits from public within the meaning of sections 73 to 76 of the Companies Act and the rules framed thereunder. According to the information and explanation given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

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

- vi. According to information and explanations given to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 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, 2024 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 and representation given to us by the management, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under Income Tax Act, 1961 as income during the year. Accordingly, the provision of paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on paragraph 3(ix) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2024, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, "Related Party Disclosure" specified under section 133 of the Act, read with relevant rules issued thereunder.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-banking financial institution without accepting deposits vide Registration number N-13.02236 dated May 02, 2018.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 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 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 3 (xvi)(d) of the Order are not applicable to the Company.

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

- xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. Since the Company doesn't satisfy any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 during the immediately preceding financial year, thus there was no requirement for the Company to spend any amount on CSR activities during the year ended March 31, 2024. Accordingly, the requirement to report on clause 3(x)(a) and (b) of the Order is 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 3 (xxi) of the Order are not applicable to the Company.

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

Abhishek Pachlangia
Partner
Membership No. 120593
UDIN: 24120593BKCAMN4571

Place : Ghaziabad
Date : May 9, 2024

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

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Smartlink Holdings Limited on the standalone financial statements of the Company for the year ended March 31, 2024]

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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, 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 : Ghaziabad
Date : May 9, 2024

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

Abhishek Pachlangia
Partner
Membership No. 120593
UDIN: 24120593BKCAMN4571

Standalone Balance Sheet as at March 31, 2024

(Amount in INR Lakhs, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|----------|----------------------|----------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 5 | 18.52 | 35.51 |
| Bank balance other than cash and cash equivalents | 6 | 783.67 | 770.50 |
| Receivables | | | |
| (i) Other Receivables | 7 | 22.26 | 55.36 |
| Investments | 10 | 17,969.69 | 17,522.12 |
| Other financial assets | 8 | 57.68 | 42.46 |
| Non-financial assets | | | |
| Tax assets (net) | 9 | 177.54 | 147.21 |
| Investment property | 11 | 1,754.87 | 1,280.03 |
| Property, plant and equipment | 12 | 300.01 | 875.44 |
| Other intangible assets | 13 | - | - |
| Other non-financial assets | 14 | 73.02 | 77.61 |
| Total Assets | | 21,157.26 | 20,806.24 |
| 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 | | 41.47 | 115.64 |
| Borrowings (Other than debt securities) | 16 | 147.43 | 147.31 |
| Other financial liabilities | 17 | 92.55 | 77.27 |
| Non-Financial Liabilities | | | |
| Provisions | 18 | 6.27 | 5.07 |
| Deferred tax liabilities (net) | 31 | 428.65 | 365.70 |
| Other non-financial liabilities | 19 | 39.89 | 10.48 |
| EQUITY | | | |
| Equity share capital | 20 | 199.50 | 199.50 |
| Other equity | 21 | 20,201.50 | 19,885.27 |
| Total Liabilities and Equity | | 21,157.26 | 20,806.24 |

See accompanying notes forming part of the Financial Statements

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The accompanying notes are an integral part of the financial statements

As per my report of even date

For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

Abhishek Pachlangia

Partner

Membership No. 120593

Ghaziabad, dated: May 09, 2024

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 09, 2024

Arati Naik

Executive Director

DIN: 06965985

Urjita Damle

Company Secretary

ICSI Membership No.24654

Statement of Standalone Profit and Loss for the year ended March 31, 2024

(Amount in INR Lakhs, unless otherwise stated)

| Particulars | Note No. | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|----------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| Revenue from operations | | | |
| Interest Income | 22 | 582.39 | 427.97 |
| Rental Income | 36(B) | 210.97 | 196.50 |
| Fees and commission Income | 23 | 19.43 | 12.24 |
| Net gain on fair value changes | 24 | 440.93 | 317.78 |
| Total revenue from operations | | 1,253.72 | 954.49 |
| Other Income | 25 | 17.40 | 150.69 |
| Total income | | 1,271.12 | 1,105.18 |
| EXPENSES | | | |
| Finance costs | 26 | 13.99 | 16.69 |
| Impairment on financial instruments | 27 | - | 0.26 |
| Employee benefits expenses | 28 | 304.03 | 285.91 |
| Depreciation and amortisation expense | 29 | 104.71 | 102.22 |
| Other expenses | 30 | 413.31 | 679.13 |
| Total expenses | | 836.04 | 1,084.21 |
| Profit / (Loss) before exceptional items and tax | | 435.08 | 20.97 |
| Exceptional Items | 11(c) | - | 2,091.57 |
| Profit / (Loss) before tax | | 435.08 | 2,112.54 |
| Tax Expense: | | | |
| - Current Tax | | 51.67 | 334.89 |
| - Deferred Tax | | 64.37 | 53.29 |
| - Taxes adjustment for earlier year | | (1.40) | (49.72) |
| Total tax expense | 31(F) | 114.64 | 338.46 |
| Profit / (Loss) for the year | | 320.44 | 1,774.08 |
| Other Comprehensive Income | | | |
| A. Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains / (loss) on defined benefit plan | | (5.63) | 4.61 |
| Income tax relating to above | 31(E) | 1.42 | (1.16) |
| | | (4.21) | 3.45 |
| Total Comprehensive Income for the year | | 316.23 | 1,777.53 |
| Basic and diluted Earnings per share (Nominal value per share INR 2) | 32 | 3.21 | 17.79 |

See accompanying notes forming part of the Financial Statements
The accompanying notes are an integral part of the financial statements

1-64

As per my report of even date

For Shridhar & Associates

Chartered Accountants

ICAI Firm Registration No.: 134427W

Abhishek Pachlangia

Partner

Membership No. 120593

Ghaziabad, dated: May 09, 2024

For and on behalf of the Board of Directors of
Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 09, 2024

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, 2024

(Amount in INR Lakhs, unless otherwise stated)

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Net Profit before tax | 435.08 | 2,112.54 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 104.71 | 102.22 |
| Interest on income tax refund | (12.97) | (0.44) |
| Profit on Property, plant and equipment sold / written off (net) | (1.11) | (2,095.14) |
| Net gain on fair value changes | (440.93) | (317.78) |
| Reversal of Impairment on Investment | - | (143.95) |
| Impairment on financial instruments | - | 0.26 |
| EIR impact of security deposits and rent amortization | - | (0.24) |
| EIR impact of interest income on bonds | 1.19 | 6.94 |
| Bad Debts Written off | - | 58.16 |
| Unrealised foreign exchange difference (net) | (0.04) | (0.01) |
| Finance costs | 13.99 | 16.69 |
| Guarantee commission | (19.43) | (12.24) |
| Gain on derecognition of financial instrument measured at amortised cost | - | (2.72) |
| Operating Profit / (loss) before working capital changes | 80.49 | (275.71) |
| Changes in working capital | | |
| (Increase) / Decrease in Investments | 11.55 | (1,999.86) |
| (Increase) / Decrease in Fixed deposits with Banks | (13.17) | 277.91 |
| (Increase) / Decrease in Other Receivables | 33.10 | (38.14) |
| (Increase) / Decrease in Other financial assets | (4.29) | 18.04 |
| (Increase) / Decrease in Other non-financial assets | 4.59 | (12.76) |
| Increase / (Decrease) in trade payables | (74.17) | 71.20 |
| Increase / (Decrease) in Other financial liabilities | 13.11 | 12.46 |
| Increase / (Decrease) in Other non-financial liabilities | 29.41 | 6.67 |
| Increase / (Decrease) in provisions | (4.43) | 4.32 |
| Cash generated from/(used in) operations | 76.19 | (1,935.87) |
| Net Income tax paid | (78.56) | (375.19) |
| Net cash flows from/(used in) operating activities (A) | (2.37) | (2,311.06) |
| Cash flow from Investing activities | | |
| Purchase of property, plant and equipment and investment property | (4.12) | (121.83) |
| Proceeds from Sale of property, plant and equipment and intangible assets | 1.11 | 2,459.22 |
| Net cash flows from/(used in) investing activities (B) | (3.01) | 2,337.39 |
| Cash flow from Financing activities | | |
| Interest payments | (0.06) | (2.29) |
| Cash Payment for the principal portion of lease payments | (11.59) | (19.64) |
| Net cash flows from/(used in) financing activities (C) | (11.65) | (21.93) |
| Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | (17.03) | 4.40 |
| Cash and cash equivalents at the beginning of the year | 35.51 | 31.10 |
| Effect of exchange differences on restatement of foreign currency Cash and bank balance | 0.04 | 0.01 |
| Cash and cash equivalents at the end of the year | 18.52 | 35.51 |
| Cash and cash equivalents comprise | | |
| Balances with banks | | |
| On current accounts | 16.27 | 33.50 |
| Cash on hand | 2.25 | 2.01 |
| Total cash and cash equivalents at end of the year | 18.52 | 35.51 |

(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 | 11.71 | (13.27) |
|-------------------|-------|---------|

See accompanying Notes forming part of the financial statements 1-64
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

Ghaziabad, dated: May 09, 2024

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

K. R. Naik
Executive Chairman
DIN: 00002013

K. G. Prabhu
Chief Financial Officer

Mumbai, dated: May 09, 2024

Arati Naik
Executive Director
DIN: 06965985

Urjita Damle
Company Secretary
ICSI Membership No: 24654

Statement of Standalone Changes in Equity as at March 31, 2024

(Amount in INR Lakhs, unless otherwise stated)

EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------|----------------------|---------------|----------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Opening | 9,975,000 | 199.50 | 9,975,000 | 199.50 |
| Add: Issued during the year | - | - | - | - |
| Less: Bought back during the year | - | - | - | - |
| Closing | 9,975,000 | 199.50 | 9,975,000 | 199.50 |

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, 2022 | 92.95 | 899.50 | 400.60 | 5,567.20 | 11,146.92 | 0.57 | 2.27 | 18,110.01 |
| Profit for the year | - | - | - | - | 1,774.08 | - | (2.27) | 1,771.81 |
| Other comprehensive income / (loss) | - | - | - | - | - | 3.45 | - | 3.45 |
| Total Comprehensive Income for the year | - | - | - | - | 1,774.08 | 3.45 | (2.27) | 1,775.26 |
| Transfer to Statutory Reserve | - | 354.82 | - | - | (354.82) | - | - | - |
| Balance at March 31, 2023 | 92.95 | 1,254.32 | 400.60 | 5,567.20 | 12,566.18 | 4.02 | - | 19,885.27 |

| 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, 2023 | 92.95 | 1,254.32 | 400.60 | 5,567.20 | 12,566.18 | 4.02 | - | 19,885.27 |
| Profit for the year | - | - | - | - | 320.44 | - | - | 320.44 |
| Other comprehensive income / (loss) | - | - | - | - | - | (4.21) | - | (4.21) |
| Total Comprehensive Income for the year | - | - | - | - | 320.44 | (4.21) | - | 316.23 |
| Transfer to Statutory Reserve | - | 64.09 | - | - | (64.09) | - | - | - |
| Balance at March 31, 2024 | 92.95 | 1,318.41 | 400.60 | 5,567.20 | 12,822.53 | (0.19) | - | 20,201.50 |

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

(Amount in INR Lakhs, unless otherwise stated)

NOTE 1: CORPORATE INFORMATION

Smartlink Holdings 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, 2024 were approved for issue by company's Board of Directors on May 09, 2024.

NOTE 2: MATERIAL ACCOUNTING POLICIES

Material accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

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

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

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

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

(b) Use of estimates

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

2.2 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives

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

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

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

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

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

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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.

2.3 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 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).

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

2.7 Revenue Recognition

(a) Interest income - the effective interest rate method

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

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

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

(b) Revenue from lease rentals

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

(c) Dividend Income

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

(d) Trading Income

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

2.8 Taxes

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

(a) Current income tax

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

(b) Deferred tax

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

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

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

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

2.9 Leases

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

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

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

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

2.10 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of an assets fair value less cost of disposal and their value in use. Value in use is arrived at by

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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 the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.12 Cash and cash equivalents

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

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

2.13 Financial instruments

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

(a) Investment in subsidiaries

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

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

(b) 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.

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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

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.

(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**

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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.

(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

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

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, 2024 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.
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: RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA had not notified any new standards or amendments to the existing standards applicable to 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, 2024 | As at March 31, 2023 |
|---------------------|-------------------------|-------------------------|
| Cash on hand | 2.25 | 2.01 |
| Balances with banks | | |
| On current accounts | 16.27 | 33.50 |
| Total | 18.52 | 35.51 |

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| In Fixed deposit with maturity for more than 3 months* | 781.83 | 768.66 |
| Unpaid dividend accounts | 1.84 | 1.84 |
| Total | 783.67 | 770.50 |

*

1. Includes INR 75.69 lakhs (March 31, 2023 INR 72.45 lakhs) held as margin money against bank guarantee.
2. Includes INR 663.08 lakhs (March 31, 2023 INR 660.00 lakhs) held as guarantee to bank for bank Overdraft availed by Synegra EMS Limited.

NOTE 7: RECEIVABLES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Other Receivables | | |
| Considered good, unsecured (Refer Note 37) | 22.26 | 55.36 |
| From related parties : | | |
| Digisol Systems Limited | 4.75 | 16.98 |
| Synegra EMS Limited | 6.38 | 30.11 |
| | 11.13 | 47.09 |
| From others: | 11.13 | 8.27 |
| Total Receivables | 22.26 | 55.36 |

Receivables ageing

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| (i) Undisputed Trade receivables – considered good | | |
| Unbilled Dues | - | - |
| Not Due | 1.94 | 1.58 |
| Less than 6 months | 20.07 | 52.13 |
| 6 months - 1 year | 0.19 | 0.03 |
| 1-2 years | 0.06 | 1.62 |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 22.26 | 55.36 |

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

Notes forming part of the Standalone financial statements

NOTE 8: OTHER FINANCIAL ASSETS

(Amount in INR Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Security Deposits (Gross) | 8.10 | 7.93 |
| Less: Provision for impairment loss | - | - |
| Security Deposits (Net) | 8.10 | 7.93 |
| Advance to employees | 1.39 | 1.45 |
| Accrued interest on fixed deposit | 37.26 | 33.08 |
| Interest receivable on income tax refund | 10.93 | - |
| Total | 57.68 | 42.46 |

NOTE 9: CURRENT TAX ASSETS (NET)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Advance income tax (net of provisions for taxation of INR 992.57 lakhs (March 31, 2023: INR 1,051.50 lakhs) | 177.54 | 147.21 |
| Total | 177.54 | 147.21 |

NOTE 10: INVESTMENTS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Investments measured at Cost | | |
| Subsidiaries | 7,051.09 | 7,031.71 |
| Investments measured at amortised cost | | |
| Debt securities | 4,727.99 | 4,551.90 |
| Fixed Deposits | 1,351.52 | 1,537.31 |
| Investments measured at Fair Value through Profit or Loss | | |
| Mutual funds | 6,629.30 | 6,191.41 |
| Total - Gross (A) | 19,759.90 | 19,312.33 |
| Less: Allowance for Impairment loss (B) | (1,790.21) | (1,790.21) |
| Total - Net (A)-(B) | 17,969.69 | 17,522.12 |
| Investments outside India | - | - |
| Investments in India | 17,969.69 | 17,522.12 |

DETAILS OF INVESTMENTS

| Particulars | Face Value | Nos | | Amount | |
|---|------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| 1. Investments measured at Cost | | | | | |
| Investments in Equity shares of subsidiaries (Unquoted): (Fully paid up) | | | | | |
| Digisol Systems Limited (refer footnote 1) | 1 | 42,959,857 | 42,959,857 | 4,485.87 | 4,471.12 |
| Synegra EMS Limited | 10 | 25,000,000 | 25,000,000 | 2,565.22 | 2,560.59 |
| Total - Gross | | | | 7,051.09 | 7,031.71 |
| Less: Allowance for Impairment loss | | | | (1,790.21) | (1,790.21) |
| Total - Net | | | | 5,260.88 | 5,241.50 |

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, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| 2. Investments measured at Amortised Cost | | | | | |
| Investments in bonds (Quoted) (refer footnote 2): | | | | | |
| Canara Bank BD Perpetual - 9.55% | 1,000,000 | 10 | 10 | 100.58 | 100.58 |
| Cholamandalam Investment and Finance Company Ltd - NCD 8.80% | 1,000,000 | 30 | 30 | 320.98 | 320.90 |
| Mahindra Rural housing Finance Ltd 2017 - NCD 8.50% | 1,000,000 | 30 | 30 | 321.01 | 320.94 |
| Tata Motors Finance Limited Perpetual NCD -11.10% | 1,000,000 | 30 | 30 | 342.83 | 342.74 |
| Bajaj Finance Ltd 2027 - NCD 8.15% | 1,000,000 | 5 | 5 | 50.64 | 50.63 |
| UP Power Corporation Limited - NCD 10.15% | 1,000,000 | - | 10 | - | 102.29 |
| North Eastern Electric Power Corporation Limited - NCD 7.68% | 1,000,000 | 20 | 20 | 205.99 | 206.13 |
| Mahindra and Mahindra Financial Services Limited 2031 - 7.35% | 1,000,000 | 20 | 20 | 210.87 | 210.83 |
| State Bank of India Unsecured Rated Listed Additional Tier I Non Convertible Bond - 7.72% | 10,000,000 | 3 | 3 | 313.93 | 314.09 |
| Kotak Mahindra Bank Limited Basel III perp - 8.10% | 5 | - | 4,000,000 | - | 201.20 |
| State Bank of India perp - 100 year - 7.55% | 10,000,000 | 2 | 2 | 204.53 | 204.50 |
| L&T Finance Limited Tier II (series-s) - 9.95% | 1,000,000 | 16 | 16 | 179.85 | 167.50 |
| Punjab National Bank (TIER II) Bonds - 9.20% | 1,000,000 | 11 | 11 | 115.52 | 117.47 |
| L&T Finance Holdings Limited MLD | 1,000,000 | 20 | 20 | 200.23 | 200.23 |
| TATA Capital Limited - 7.89% | 1,000,000 | 50 | 50 | 528.80 | 529.18 |
| L&T Finance Holdings Limited - 8.75% | 1,000,000 | 9 | 9 | 92.17 | 92.87 |
| Mahindra and Mahindra Financial Services Limited - 7.90% | 1,000,000 | 50 | 50 | 523.45 | 523.41 |
| Bank Of India (Series XI) - 9.80% | 1,000,000 | - | 8 | - | 88.49 |
| PNB Housing Finance Limited Bonds (Series XVII.B) - 9.48% | 1,000,000 | - | 25 | - | 252.66 |
| L & T Finance Limited - 8.90% | 1,000,000 | 19 | 19 | 205.09 | 205.26 |
| HDFC Credila Financial Services Limited Perpetual NCD - 10.50% | 1,000,000 | 8 | - | 82.29 | - |
| Tata Capital Limited Perpetual - 9.80% | 1,000,000 | 20 | - | 218.86 | - |
| U.P. Power Corporation Limited - 9.95% | 1,000,000 | 13 | - | 132.45 | - |
| Shriram Finance Limited - 8.75% | 100,000 | 160 | - | 172.57 | - |
| Cholamandalam Investment and Finance Company Limited - 8.50% | 1,000 | 20,000 | - | 205.35 | - |
| | | | | 4,727.99 | 4,551.90 |
| Fixed Deposits (Unquoted) | | | | | |
| Fixed Deposit with Bajaj Finance Limited (refer foot note 3) | | 3 | 3 | 1,351.52 | 1,537.31 |
| | | | | 1,351.52 | 1,537.31 |
| 3. Investments measured at Fair Value through Profit or Loss | | | | | |
| Mutual funds (Unquoted) | | | | | |
| HDFC Mutual Fund | | | | | |
| HDFC Corporate Bond Fund - Direct Plan - Growth | 10 | - | 390,996.466 | - | 107.99 |
| ICICI Mutual Fund | | | | | |
| ICICI Prudential Banking & PSU Debt Fund - Growth | 10 | 1,974,384.404 | 2,067,524.707 | 585.53 | 569.54 |
| ICICI Prudential Corporate Bond Fund - Growth | 10 | 2,117,912.167 | 2,117,912.167 | 570.70 | 528.89 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 10 | - | 493,524.038 | - | 128.45 |
| ICICI Prudential Short Term Fund - Growth Option | 10 | - | 40,817.002 | - | 20.62 |
| ICICI balance Advantage Fund - Growth | 10 | 172,983.785 | 78,693.356 | 123.41 | 45.47 |
| ICICI Prudential Overnight fund direct plan growth | 1,000 | 48,465.434 | - | 625.46 | - |
| Kotak Mahindra Mutual Fund | | | | | |
| Kotak Bond Fund Short Term - Growth - Regular Plan | 10 | 1,504,985.518 | 1,504,985.518 | 711.05 | 663.94 |

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, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Birla Sun Life Mutual Fund | | | | | |
| Birla Sun life floating rate fund -growth -regular plan | 10 | - | 76,645.066 | - | 224.53 |
| Aditya Birla sun life floating rate fund growth direct plan | 100 | 7,867.557 | 175,327.342 | 25.45 | 525.26 |
| Aditya Birla Sun Life Corporte Bond Fund -growth -direct | 100 | 60,801.493 | - | 62.77 | - |
| SBI Mutual fund | | | | | |
| SBI Short Term Debt Fund-Regular Plan-Growth | 10 | 4,005,505.013 | 4,077,363.452 | 1,163.79 | 1,106.21 |
| 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 | - | 13,649.982 | - | 12.75 |
| Invesco Mutual Fund | | | | | |
| Invesco India Ultra Short Term Fund Plan Growth (refer footnote 4) | 10 | 10,022.335 | 10,022.335 | 247.46 | 230.95 |
| Invesco India Short Term Fund - Regular Plan | 10 | 7,725.541 | 7,725.541 | 273.54 | 254.42 |
| HSBC Mutual Fund | | | | | |
| HSBC Corporate Bond Fund - Direct Growth (Formerly L& T Triple Ace Bond Fund - Direct Plan-Growth) | 10 | 43,408.700 | 252,757.312 | 30.39 | 164.44 |
| HSBC Short Duration Fund - Direct Growth (Formerly L& T Short Term Bond Fund - Direct Plan - Growth) | 10 | 1,685,769.092 | 2,897,136.850 | 425.34 | 680.93 |
| Bandhan Mutual Fund | | | | | |
| Bandhan Banking & PSU Debt Fund - Direct Plan - Growth (Formerly IDFC Banking & PSU Debt Fund - Direct Plan - Growth) (refer footnote 5) | 10 | 1,849,165.423 | 1,940,480.415 | 423.55 | 414.35 |
| Bandhan Dynamic bond fund - Growth - regular plan (Formerly IDFC Dynamic Bond fund growth regular) | 10 | 1,077,845.928 | 1,077,845.928 | 336.59 | 309.21 |
| Edelweiss Mutual Fund | | | | | |
| Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth | 10 | 1,837,832.906 | 1,837,832.906 | 218.20 | 203.46 |
| Bajaj Finserv Mutual Fund | | | | | |
| Bajaj Finserv Liquid Fund - Direct - Growth | 1,000 | 28,964.883 | - | 305.23 | - |
| Bajaj Finserv Money Market Fund - Direct Plan - Growth | 1,000 | 47,465.491 | - | 500.84 | - |
| | | | | 6,629.30 | 6,191.41 |
| Total Investments- Gross | | | | 19,759.90 | 19,312.33 |
| Total Impairment | | | | (1,790.21) | (1,790.21) |
| Total Investments- Net | | | | 17,969.69 | 17,522.12 |
| Aggregate book value of: | | | | | |
| Quoted investments | | | | 4,727.99 | 4,551.90 |
| Unquoted investments | | | | 12,249.05 | 12,192.16 |
| Aggregate market value of: | | | | | |
| Quoted investments | | | | 4,525.72 | 4,364.52 |
| Unquoted investments (Mutual Fund) | | | | 6,629.30 | 6,191.41 |

Footnote:-

- Pursuant to the approval of Scheme of Amalgamation by National Company Law Tribunal - Mumbai Branch vide order dated March 03, 2023 one of the subsidiary Telesmart SCS Limited (Telesmart) is amalgamated with another subsidiary Digisol Systems Limited (Digisol) w.e.f April 01,2022. The Scheme has become effective on the date of filing with Registrar of Companies which is May 04, 2023. As per the Scheme Digisol will issue 19,59,857 shares (face value of INR 1/-) with share fair valued at INR 8.41. The shares pending allotment as at the year ended March 31, 2023 have been allotted by the Board of Directors of Digisol Systems Limited at its meeting held on May 17, 2023.
- Investment in Bonds includes accrued interest of INR 219.66 in the current year and 174.68 lakhs in the previous year.
- Fixed deposits are pledged against Loan obtained by Digisol Systems Limited (wholly owned subsidiary).
- Invesco India Ultra Short Term Fund is pledged against overdraft facility obtained by Synegra EMS Limited (wholly owned subsidiary) (March 31, 2023 NIL).
- Bandhan Banking & PSU Debt Fund is pledged against overdraft facility obtained by Digisol Systems Limited (wholly owned subsidiary) (March 31, 2023 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 April 01, 2023 | Additions | Deductions | Transferred from Property, Plant and Equipment | As at March 31, 2024 | As at April 01, 2023 | Charge for the year | Deductions | Transferred from Property, Plant and Equipment | As at March 31, 2024 | As at March 31, 2024 | As at April 01, 2023 | |
| Land | 787.66 | - | - | 87.91 | 875.57 | 54.56 | 9.74 | - | 87.91 | 152.21 | 723.36 | 733.10 | |
| Building | 957.95 | - | - | 681.73 | 1,639.68 | 411.02 | 30.66 | - | 166.49 | 608.17 | 1,031.51 | 546.93 | |
| Total | 1,745.61 | - | - | 769.64 | 2,515.25 | 465.58 | 40.40 | - | 254.40 | 760.38 | 1,754.87 | 1,280.03 | |

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

Note:

- Asset given on operating lease - gross value - on March 31, 2024 INR 2,515.25 lakhs (March 31, 2023 INR 1,745.61 lakhs), - written down value on March 31, 2024 INR 1,754.87 lakhs (March 31, 2023 INR 1,280.03 lakhs)
- INR 164.95 lakhs (March 31, 2023 INR 150.17 lakhs) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.
- The Board of Directors of the Company at their meeting held on August 04, 2022 had approved the Memorandum of Understanding ("MOU") for sale of land admeasuring 643.9 Sq. Mts. situated at Off C.S.T. Road, Santacruz (E), Mumbai 400098 for a consideration of INR 2,475.00 lakhs. The Company has completed the sale on execution of the sale deed. Consequently, the profit on the sale of INR 2,091.57 lakhs has been recognised and disclosed as exceptional item in the previous year.
- Fair value as on March 31, 2024 of Land INR 8,114.96 lakhs and Buildings INR 1,302.33 lakhs.
- Freehold Land and Building given on operating lease have been reclassified from Property Plant and Equipment.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross Block | | | | | Depreciation | | | | | Net block | | |
|-------------------------------------|----------------------|-------------|--------------|---------------------------------|----------------------|----------------------|---------------------|--------------|---------------------------------|----------------------|----------------------|----------------------|--|
| | As at April 01, 2023 | Additions | Deductions | Transfer to Investment Property | As at March 31, 2024 | As at April 01, 2023 | Charge for the year | Deductions | Transfer to Investment Property | As at March 31, 2024 | As at March 31, 2024 | As at April 01, 2023 | |
| Land-Freehold | 87.91 | - | - | 87.91 | - | 87.91 | - | - | 87.91 | - | - | - | |
| Buildings-Own Use | 1,377.68 | - | - | 681.73 | 695.95 | 644.57 | 32.98 | - | 166.49 | 511.06 | 184.89 | 733.11 | |
| Furniture and Fixtures | 206.85 | - | 0.90 | - | 205.95 | 198.64 | 1.20 | 0.90 | - | 198.94 | 7.01 | 8.21 | |
| Vehicles | 132.27 | - | - | - | 132.27 | 29.38 | 24.57 | - | - | 53.95 | 78.32 | 102.89 | |
| Office Equipment | 121.62 | 1.03 | - | - | 122.65 | 119.72 | 0.78 | - | - | 120.50 | 2.15 | 1.90 | |
| Electrical installations | 746.72 | 3.09 | 30.49 | - | 719.32 | 732.02 | 3.24 | 30.49 | - | 704.77 | 14.55 | 14.70 | |
| Computers | 22.20 | - | - | - | 22.20 | 20.01 | 1.37 | - | - | 21.38 | 0.82 | 2.19 | |
| Right-of-use assets (Refer note 36) | 16.87 | - | - | - | 16.87 | 4.43 | 0.17 | - | - | 4.60 | 12.27 | 12.44 | |
| Total | 2,712.12 | 4.12 | 31.39 | 769.64 | 1,915.21 | 1,836.68 | 64.31 | 31.39 | 254.40 | 1,615.20 | 300.01 | 875.44 | |

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 April 01, 2022 | Additions | Deductions | Transfer to Investment Property | As at March 31, 2023 | As at April 01, 2022 | Charge for the year | Deductions | Transfer to Investment Property | As at March 31, 2023 | As at March 31, 2023 | As at April 01, 2022 |
| Land-Freehold | 87.91 | - | - | - | 87.91 | 87.91 | - | - | - | 87.91 | - | - |
| Buildings-Own Use | 1,377.68 | - | - | - | 1,377.68 | 610.63 | 33.94 | - | - | 644.57 | 733.11 | 767.05 |
| Furniture and Fixtures | 198.96 | 7.89 | - | - | 206.85 | 198.19 | 0.45 | - | - | 198.64 | 8.21 | 0.77 |
| Vehicles | 28.02 | 111.56 | 7.31 | - | 132.27 | 22.03 | 14.66 | 7.31 | - | 29.38 | 102.89 | 5.99 |
| Office Equipment | 120.29 | 1.33 | - | - | 121.62 | 119.02 | 0.70 | - | - | 119.72 | 1.90 | 1.27 |
| Electrical installations | 745.68 | 1.04 | - | - | 746.72 | 727.95 | 4.07 | - | - | 732.02 | 14.70 | 17.73 |
| Computers | 22.20 | - | - | - | 22.20 | 18.64 | 1.37 | - | - | 20.01 | 2.19 | 3.56 |
| Right-of-use assets (Refer note 36) | 73.34 | - | 56.47 | - | 16.87 | 29.32 | 7.59 | 32.48 | - | 4.43 | 12.44 | 44.02 |
| Total | 2,654.08 | 121.82 | 63.78 | - | 2,712.12 | 1,813.69 | 62.78 | 39.79 | - | 1,836.68 | 875.44 | 840.39 |

Note:-

- All title deeds of immovable properties are held in the name of company.
- The Company has not revalued any of its property, plant and equipments during the years ended March 31, 2024 and March 31, 2023.
- Freehold Land and building given on operating lease have been reclassified to Investment Property.

NOTE 13: INTANGIBLE ASSETS

| Particulars | Gross Block | | | | Depreciation | | | | | Net block | | |
|-------------------|----------------------|-----------|------------|-------------|----------------------|----------------------|---------------------|------------|-------------|----------------------|----------------------|----------------------|
| | As at April 01, 2023 | Additions | Deductions | Adjustments | As at March 31, 2024 | As at April 01, 2023 | Charge for the year | Deductions | Adjustments | As at March 31, 2024 | As at March 31, 2024 | As at April 01, 2023 |
| Computer Software | 95.96 | - | - | - | 95.96 | 95.96 | - | - | - | 95.96 | - | - |
| Total | 95.96 | - | - | - | 95.96 | 95.96 | - | - | - | 95.96 | - | - |

| Particulars | Gross Block | | | | Depreciation | | | | | Net block | | |
|-------------------|----------------------|-----------|------------|-------------|----------------------|----------------------|---------------------|------------|-------------|----------------------|----------------------|----------------------|
| | As at April 01, 2022 | Additions | Deductions | Adjustments | As at March 31, 2023 | As at April 01, 2022 | Charge for the year | Deductions | Adjustments | As at March 31, 2023 | As at March 31, 2023 | As at April 01, 2022 |
| Computer Software | 95.96 | - | - | - | 95.96 | 95.96 | - | - | - | 95.96 | - | - |
| Total | 95.96 | - | - | - | 95.96 | 95.96 | - | - | - | 95.96 | - | - |

Note:

- The Company has not revalued any of its intangible assets during the years ended March 31, 2024 and March 31, 2023.

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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Prepaid expenses | 7.78 | 6.61 |
| Surplus in gratuity fund (funded) (Refer note 35) | 5.60 | 12.50 |
| Advance to vendor | 14.68 | 7.33 |
| Balance with government authorities | 44.96 | 51.17 |
| Total | 73.02 | 77.61 |

NOTE 15: TRADE PAYABLES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 41.47 | 115.64 |
| Total | 41.47 | 115.64 |

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, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| (i) Others (undisputed) | | |
| Unbilled Dues | 25.51 | 20.84 |
| Payable Not Due | 3.09 | - |
| Less than 1 year | 12.87 | 92.11 |
| 1-2 years | - | 2.69 |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 41.47 | 115.64 |

NOTE 16: BORROWINGS (OTHER THAN DEBT SECURITIES)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Borrowing measured at amortised cost | | |
| Unsecured | | |
| Lease liabilities | 147.43 | 147.31 |
| Total | 147.43 | 147.31 |

NOTE 17: OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| Deposits | 44.36 | 20.17 |
| Employee Payable | 24.39 | 33.97 |
| Unpaid dividend* | 1.84 | 1.84 |
| Financial Guarantee Obligation | 12.66 | 12.71 |
| Asset Retirement Obligation | 9.30 | 8.58 |
| Total | 92.55 | 77.27 |

* During the previous year INR 1.42 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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Provision for gratuity (funded) (Refer note 35) | - | - |
| Provision for leave encashment (unfunded) | 6.27 | 5.07 |
| Total | 6.27 | 5.07 |

NOTE 19: OTHER NON FINANCIAL LIABILITIES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Statutory dues payable | 3.47 | 4.14 |
| Rent received in advance | 36.42 | 6.34 |
| Total | 39.89 | 10.48 |

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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Authorized | | |
| 3,50,00,000 Equity Shares of INR 2/- each (March 31, 2023 : 3,50,00,000) | 700.00 | 700.00 |
| | 700.00 | 700.00 |
| Issued, Subscribed and paid up | | |
| 99,75,000 Equity Shares of INR 2/- each, fully paid-up (March 31, 2023 : 99,75,000) | 199.50 | 199.50 |
| Total | 199.50 | 199.50 |

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Outstanding at the beginning of the year | 9,975,000 | 9,975,000 |
| Add: Issued during the year | - | - |
| Less: Buyback during the year | - | - |
| Outstanding at the end of the year | 9,975,000 | 9,975,000 |

(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, 2024 | | As at March 31, 2023 | |
|-------------------------|-------------------------|--------------|-------------------------|--------------|
| | No of shares | % of holding | No of shares | % of holding |
| Mr. Kamalaksha R. Naik | 4,945,214 | 49.58% | 4,800,163 | 48.12% |
| Ms. Arati K. Naik | 934,833 | 9.37% | 934,833 | 9.37% |
| Dr. Lakshana A. Sharma | 794,608 | 7.97% | 794,608 | 7.97% |
| Mrs. Sudha K. Naik | 467,417 | 4.69% | 467,417 | 4.69% |

Notes forming part of the Standalone financial statements

NOTE 20: EQUITY SHARE CAPITAL (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

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

| Particulars | No of shares bought - back during the year | No of shares outstanding |
|-------------|--|--------------------------|
| 31.03.2024 | - | 9,975,000 |
| 31.03.2023 | - | 9,975,000 |
| 31.03.2022 | 3,325,000 | 9,975,000 |
| 31.03.2021 | - | 13,300,000 |
| 31.03.2020 | 3,650,000 | 13,300,000 |

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

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

| Promoter Name | As at March 31, 2024 | | |
|--------------------------|----------------------|-------------------|--------------------------|
| | No. of Shares | % of total shares | % Change during the year |
| Mr. Kamalaksha R. Naik | 4,945,214 | 49.58% | 3.02% |
| Ms. Arati K. Naik | 934,833 | 9.37% | - |
| Dr. Lakshana A. Sharma | 794,608 | 7.97% | - |
| Mrs. Sudha K. Naik | 467,417 | 4.69% | - |
| Mr. Amit Virendra Sharma | 17,891 | 0.18% | - |
| K R Naik HUF | 100,493 | 1.01% | - |
| Total | 7,260,456 | 72.80% | |

| Promoter Name | As at March 31, 2023 | | |
|--------------------------|----------------------|-------------------|--------------------------|
| | No. of Shares | % of total shares | % Change during the year |
| Mr. Kamalaksha R. Naik | 4,800,163 | 48.12% | 2.70% |
| Ms. Arati K. Naik | 934,833 | 9.37% | - |
| Dr. Lakshana A. Sharma | 794,608 | 7.97% | - |
| Mrs. Sudha K. Naik | 467,417 | 4.69% | - |
| Mr. Amit Virendra Sharma | 17,891 | 0.18% | 100.00% |
| K R Naik HUF | 100,493 | 1.01% | - |
| Total | 7,115,405 | 71.34% | |

NOTE 21: OTHER EQUITY

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| General Reserve | 5,567.20 | 5,567.20 |
| Surplus in Statement of Profit and Loss account | 12,822.53 | 12,566.18 |
| Statutory Reserve | 1,318.41 | 1,254.32 |
| Capital Contribution | 92.95 | 92.95 |
| Capital Redemption Reserve | 400.60 | 400.60 |
| FVTOCI Reserve on Financial Instruments | - | - |
| FVTOCI Reserve on defined benefit plans | (0.19) | 4.02 |
| Total | 20,201.50 | 19,885.27 |

Notes forming part of the Standalone financial statements

NOTE 21: OTHER EQUITY (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

(A) General Reserve (GR)*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| 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

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening balance | 12,566.18 | 11,146.92 |
| Add : Net profit / (loss) for the year | 320.44 | 1,774.08 |
| Amount available for appropriations | 12,886.62 | 12,921.00 |
| Less : Appropriations | | |
| Less: Transferred to Statutory Reserve | (64.09) | (354.82) |
| Closing balance | 12,822.53 | 12,566.18 |

* 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, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening balance | 1,254.32 | 899.50 |
| Add: Transfer from surplus in statement of profit and loss account | 64.09 | 354.82 |
| Closing balance | 1,318.41 | 1,254.32 |

*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, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| 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, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Opening balance | 400.60 | 400.60 |
| Add / (less): Change during the year | - | - |
| Closing balance | 400.60 | 400.60 |

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

Notes forming part of the Standalone financial statements

NOTE 21: OTHER EQUITY (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

(F) FVTOCI Reserve on financial instruments*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Opening balance | - | 2.27 |
| Add / (less): Change during the year | - | (2.27) |
| Closing balance | - | - |

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

(G) FVTOCI Reserve on defined benefit plans*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Opening balance | 4.02 | 0.57 |
| Add / (less): Change during the year | (4.21) | 3.45 |
| Closing balance | (0.19) | 4.02 |

* 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, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| On financial assets measured at FVTOCI | | |
| Interest on preference shares | - | 2.53 |
| | - | 2.53 |
| On financial assets measured at amortised cost | | |
| Interest on bonds | 360.54 | 349.68 |
| Interest on deposits with banks | 54.73 | 37.18 |
| Interest on deposits with financial institutions | 108.63 | 38.34 |
| Interest on Inter Corporate Deposit | 58.49 | - |
| Other interest income | - | 0.24 |
| | 582.39 | 425.44 |
| Total | 582.39 | 427.97 |

NOTE 23: FEES AND COMMISSION INCOME

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Guarantee Commission Income | 19.43 | 12.24 |
| Total | 19.43 | 12.24 |

NOTE 24: NET GAIN ON FAIR VALUE CHANGES*

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On financial instruments designated at fair value through profit or loss | 440.93 | 317.78 |
| Total | 440.93 | 317.78 |
| Fair Value changes: | | |
| - Realised | 226.33 | 199.44 |
| - Unrealised | 214.60 | 118.34 |

*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, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Gain on derecognition of RoU assets | - | 2.72 |
| Interest on income tax refund | 12.97 | 0.44 |
| Profit on Property, plant and equipment sold / written off (net) | 1.11 | 3.57 |
| Sale of Scrap | 1.62 | - |
| Foreign Exchange gain - (net) | 0.01 | 0.01 |
| Reversal of impairment on financial instruments (refer foot note) | - | 143.95 |
| Security Deposit written off now received | 0.32 | - |
| Miscellaneous Income | 1.37 | - |
| Total | 17.40 | 150.69 |

Footnote :-

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

NOTE 26: FINANCE COSTS

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On Financial liabilities measured at Amortised Cost | | |
| Interest on deposits | 1.50 | 1.13 |
| Interest on borrowings | 11.71 | 12.59 |
| Other interest expense | 0.78 | 2.97 |
| Total | 13.99 | 16.69 |

NOTE 27: IMPAIRMENT ON FINANCIAL INSTRUMENTS

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On Financial instruments measured at FVTOCI | | |
| Investment in Preference Shares (interest) | - | 0.26 |
| Total | - | 0.26 |

NOTE 28: EMPLOYEE BENEFITS EXPENSES

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries and wages | 282.36 | 264.97 |
| Contribution to provident and other funds (Refer Note 35) | 7.05 | 6.81 |
| Gratuity expenses (Refer Note 35) | 1.27 | 1.79 |
| Staff welfare expenses | 13.35 | 12.34 |
| Total | 304.03 | 285.91 |

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, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note 12) | 64.31 | 62.78 |
| Depreciation on Investment Property (refer note 11) | 40.40 | 39.44 |
| Total | 104.71 | 102.22 |

NOTE 30: OTHER EXPENSES

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Rent, rate and taxes | 9.70 | 29.63 |
| Repairs and maintenance | 58.02 | 222.29 |
| Communication expenses | 4.06 | 6.27 |
| Printing and stationery expenses | 1.90 | 1.90 |
| Advertisement expenses | 12.35 | 12.18 |
| Director's fees | 19.18 | 22.45 |
| Auditor's fees and expenses (Refer footnote) | 16.20 | 15.28 |
| Legal and professional charges | 53.94 | 79.07 |
| Insurance | 10.12 | 7.98 |
| Annual maintenance expense | 12.62 | 12.54 |
| Software connectivity license/maintenance expenses | 49.02 | 42.67 |
| Travelling and conveyance expenses | 45.91 | 29.76 |
| Power and fuel expenses | 78.44 | 89.18 |
| Membership and subscription fees | 0.86 | 0.40 |
| Sundry balance written off (net) | - | 8.18 |
| Bad Debts Written Off | - | 58.16 |
| Office Expenses | 17.19 | 13.54 |
| Application, registration & filing Fees | 0.14 | 0.72 |
| Expenditure on corporate social responsibility (Refer Note 56) | - | 7.65 |
| Miscellaneous expenses | 22.34 | 19.02 |
| Bank charges | 1.32 | 0.26 |
| Total | 413.31 | 679.13 |

Notes:

1 Payment to Auditors

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Charged to Auditor's fees and Expenses: | | |
| Statutory audit fees including GST expensed | 14.17 | 14.17 |
| Reimbursement of expenses including GST expensed | 0.34 | 0.24 |
| | 14.51 | 14.41 |
| Other certification fees including GST expensed | 1.69 | 0.87 |
| Total | 16.20 | 15.28 |

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, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Deferred tax assets | | |
| On account of timing difference in retiral and other employee benefits | 1.58 | 1.28 |
| On disallowance u/s 40a of Income Tax Act, 1961 | 1.38 | 1.03 |
| | 2.96 | 2.31 |
| Deferred tax liabilities | | |
| On property, plant and equipment | 166.65 | 161.89 |
| On account of fair value of financial assets designated at FVTPL | 264.96 | 206.12 |
| | 431.61 | 368.01 |
| Deferred tax liability (Net) | 428.65 | 365.70 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Opening balance as of April 01 | (365.70) | (311.26) |
| Tax assets / (liabilities) recognized in statement of profit and loss | (64.37) | (53.29) |
| Tax assets / (liabilities) recognized in OCI | | |
| - On re-measurements gain of post-employment benefit obligations | 1.42 | (1.16) |
| Closing balance as at March 31 | (428.65) | (365.70) |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Tax liability | 64.37 | 53.29 |
| Tax asset | - | - |
| Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss | 64.37 | 53.29 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| - Current tax | 51.67 | 334.89 |
| - Deferred tax charge / (income) | 64.37 | 53.29 |
| - Adjustments in respect of current income tax of previous year | (1.40) | (49.72) |
| Income tax expense reported in the statement of profit or loss | 114.64 | 338.46 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Net fair value (gain)/loss on debt securities | - | - |
| Net loss/(gain) on remeasurements of defined benefit plans | (1.42) | 1.16 |
| Income tax expense charged / (credit) to OCI | (1.42) | 1.16 |

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

NOTE 31: INCOME TAX EXPENSE (CONTD.)

(F) Reconciliation of tax charge

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Profit before tax | 435.08 | 2,112.54 |
| Tax Rate | 25.168% | 25.168% |
| Income tax expense at tax rates applicable | 109.50 | 531.68 |
| Tax effects of: | | |
| - CSR expenditure not allowed for tax purpose | - | 1.92 |
| - Leasehold land amortisation not claimed in Income tax | 2.03 | 2.02 |
| - Others | 4.51 | (53.38) |
| Effect due to tax paid on exceptional item at a lower rate (net of business loss) | - | (94.06) |
| Earlier year adjustment | (1.40) | (49.72) |
| Income tax expense | 114.64 | 338.46 |

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, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Ordinary equity shareholders | | |
| Profit/ (Loss) attributable to ordinary equity holders | 320.44 | 1,774.08 |
| Weighted average number of equity shares | 99.75 | 99.75 |
| Face Value per share | 2 | 2 |
| Basic earnings per share (INR) | 3.21 | 17.79 |
| Diluted earnings per share (INR) | 3.21 | 17.79 |

NOTE 33: CONTINGENT LIABILITIES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Bank guarantees given in favour of Electricity Department - Government of Goa | 65.61 | 71.61 |
| Corporate guarantees given in favour of banks on behalf of Digisol Systems Limited (Wholly owned subsidiary) | | |
| HDFC Bank Limited | 3,000.00 | 3,000.00 |
| Bajaj Finance 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 | 1,300.00 |
| Small Industries Development Bank of India | 270.00 | 270.00 |
| Total | 6,635.61 | 6,641.61 |

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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Non-cancellation lease liabilities undiscounted basis net of liability recognised (Refer Note 36) | 708.29 | 719.96 |

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, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund and Pension Fund | 4.46 | 4.43 |
| Employer's contribution to National Pension Scheme | 2.13 | 1.94 |
| Employer's contribution to Employee State Insurance Scheme | 0.31 | 0.43 |
| Employer's contribution to Professional Tax | 0.15 | 0.01 |
| Total | 7.05 | 6.81 |

(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, 2024 | As at March 31, 2023 |
|--|-------------------------------------|-------------------------------------|
| i) Actuarial assumptions | | |
| Discount rate (per annum) | 6.97% | 7.20% |
| Rate of increase in Salary | 6.00% | 6.00% |
| Expected average remaining working lives of employees (years) | 12.66 | 13.07 |
| Attrition rate | PS: 0 to 5 : 5% PS: 5 to 40 : 0% | PS: 0 to 5 : 5% 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 | 24.41 | 24.82 |
| Interest cost | 1.75 | 1.82 |
| Current service cost | 2.18 | 2.17 |
| Benefits paid | - | - |
| Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions | 0.66 | 0.31 |
| Actuarial (gain)/ loss on obligations - Due to experience | 5.14 | (4.71) |
| Present value of obligation at the end of the year | 34.14 | 24.41 |
| iii) Change in the fair value of plan assets: | | |
| Opening fair value of plan assets | 36.91 | 29.99 |
| Interest Income | 2.66 | 2.20 |
| Contributions by employer | - | 4.50 |
| Benefits paid | - | - |
| Return on plan assets excluding interest income | 0.17 | 0.22 |
| Closing fair value of plan assets | 39.74 | 36.91 |

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

NOTE 35: EMPLOYEE BENEFITS (CONTD.)

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| iv) Expense recognized in the Statement of Profit and Loss | | |
| Current service cost | 2.18 | 2.17 |
| Interest cost (net) | (0.91) | (0.38) |
| Total expenses recognized in the Statement Profit and Loss* | 1.27 | 1.79 |

*Included in Employee benefits expense (Refer Note 28)

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| v) Expense recognized in Other comprehensive income | | |
| Actuarial (gain) / loss on Obligation for the period | 5.80 | (4.40) |
| Return on plan assets excluding interest income | (0.17) | (0.22) |
| Net actuarial (gains) / losses recognised in OCI | 5.63 | (4.62) |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| vi) Assets and liabilities recognized in the Balance Sheet: | | |
| Present value of obligation as at the end of the year | 34.14 | 24.41 |
| Fair Value of Plan Assets at the end of the year | 39.74 | 36.91 |
| Net asset / (liability) recognized in Balance Sheet* | 5.60 | 12.50 |

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

vii) Expected contribution to the fund in the next year INR 2.84 lakhs

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

| Impact on Present Value obligation | For the Year Ended March 31, 2024 | | For the Year Ended March 31, 2023 | |
|------------------------------------|--------------------------------------|-------|--------------------------------------|-------|
| | +1% | -1% | +1% | -1% |
| Change in discount rate | 31.40 | 37.28 | 22.27 | 26.87 |
| Change in salary escalation rate | 37.27 | 31.36 | 26.86 | 22.23 |

ix) Maturity profile of defined benefit obligation

| Years | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--------------|--------------------------------------|--------------------------------------|
| Year 1 | 0.17 | 0.13 |
| Year 2 | 0.20 | 0.13 |
| Year 3 | 0.26 | 0.15 |
| Year 4 | 3.22 | 0.20 |
| Year 5 | 1.56 | 2.05 |
| Year 6 to 10 | 23.87 | 20.39 |

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

NOTE 35: EMPLOYEE BENEFITS (CONTD.)

b) Leave encashment

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Actuarial assumptions | | |
| Discount rate (per annum) | 6.97% | 7.20% |
| Rate of increase in Salary | 6.00% | 6.00% |
| Expected average remaining working lives of employees (years) | 12.66 | 13.07 |
| Attrition rate | PS: 0 to 5 : 5% PS: 5 to 40 : 0% | PS: 0 to 5 : 5% 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. Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024:

| Particulars | Category of ROU Asset | | Total |
|-------------------------------------|-----------------------|--------------|--------------|
| | Land & Buildings | Prepaid Rent | |
| Balance as on April 01, 2022 | 42.97 | 1.05 | 44.02 |
| Additions | - | - | - |
| Deletion | 23.18 | 0.81 | 23.99 |
| Depreciation | 7.35 | 0.24 | 7.59 |
| Balance as on March 31, 2023 | 12.44 | - | 12.44 |
| Additions | - | - | - |
| Deletion | - | - | - |
| Depreciation | 0.17 | - | 0.17 |
| Balance as on March 31, 2024 | 12.27 | - | 12.27 |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31, 2024:

| Particulars | Amount |
|--|---------------|
| Balance as on April 01, 2022 | 180.22 |
| Additions | - |
| Deletion | (25.86) |
| Finance cost accrued during the period | 12.59 |
| Payment of lease liabilities | (19.64) |
| Balance as on March 31, 2023 | 147.31 |

| Particulars | Amount |
|--|---------------|
| Balance as on April 01, 2023 | 147.31 |
| Additions | - |
| Deletion | - |
| Finance cost accrued during the period | 11.71 |
| Payment of lease liabilities | (11.59) |
| Balance as on March 31, 2024 | 147.43 |

Notes forming part of the Standalone financial statements

NOTE 36: LEASES (CONTEDED)

(Amount in INR Lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|-------------------------|-------------------------|
| Less than one year | 11.59 | 11.59 |
| One to five years | 57.93 | 57.93 |
| More than five years | 786.20 | 797.75 |
| Total | 855.72 | 867.27 |

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 3.6 lakhs (previous year INR 2.16 lakhs)

(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 210.97 lakhs for the year ended March 31, 2024 (March 31, 2023 INR 196.50 lakhs).

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Within one year | 206.10 | 213.56 |
| After one year but not more than five years | 539.73 | 701.20 |
| More than 5 years | - | - |

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

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 (retired w.e.f. March 31, 2024)

Mr. Bhanubhai R. Patel - Non Executive Independent Director

Mr. Pankaj M. Baliga - Non Executive Independent Director (retired w.e.f. March 31, 2024)

Mr. Pradeep A. Rane - Non Executive Independent Director

Ms. Arati K. Naik - Executive Director

Mr. K. G. Prabhu - Chief Financial Officer

Ms. Urjita Damle - Company Secretary

Mr. Satish Godbole - Non Executive Independent Director (appointed w.e.f. March 31, 2024)

Dr. Lakshana A. Sharma – Non Executive Non Independent Director (appointed w.e.f. March 31, 2024)

Relatives of key management personnel:

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Dr. Lakshana A. Sharma

Notes forming part of the Standalone financial statements

NOTE 37: RELATED PARTY DISCLOSURES: (CONTED.)

(Amount in INR Lakhs, unless otherwise stated)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

| Particulars | For the year ended March 31, 2024 | | | For the year ended March 31, 2023 | | |
|---|-----------------------------------|---|--|-----------------------------------|---|--|
| | 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 | 64.14 | - | - | 71.42 | - | - |
| Synegra EMS Limited | 59.53 | - | - | 55.75 | - | - |
| Rent Expense | | | | | | |
| Digisol Systems Limited | 3.30 | - | - | 2.16 | - | - |
| Rent Written off | | | | | | |
| Digisol Systems Limited | - | - | - | 32.72 | - | - |
| Synegra EMS Limited | - | - | - | 25.44 | - | - |
| Purchase of Networking Products | | | | | | |
| Digisol Systems Limited | - | - | - | 0.07 | - | - |
| Interest Income on Inter Corporate Deposit | | | | | | |
| Digisol Systems Limited | 58.49 | - | - | - | - | - |
| Investment in Subsidiary | | | | | | |
| Synegra EMS Limited | - | - | - | 1,000.00 | - | - |
| Inter Corporate Deposit given to | | | | | | |
| Digisol Systems Limited | 3,340.00 | - | - | - | - | - |
| Inter Corporate Deposit repaid by | | | | | | |
| Digisol Systems Limited | 3,340.00 | - | - | - | - | - |
| Managerial Remuneration | | | | | | |
| Mr. K. G. Prabhu | | | | | | |
| Short-term employee benefits | - | - | 50.28 | - | - | 56.18 |
| Post-employment benefits | - | - | 0.22 | - | - | 0.22 |
| Ms. Urjita Damle | | | | | | |
| Short-term employee benefits | - | - | 17.32 | - | - | 16.28 |
| Post-employment benefits | - | - | 0.22 | - | - | 0.22 |
| Director Sitting Fees | | | | | | |
| Mr. Krishnand M. Gaonkar | - | - | 5.05 | - | - | 5.55 |
| Mr. Pankaj M. Baliga | - | - | 5.05 | - | - | 6.05 |
| Mr. Pradeep A. Rane | - | - | 3.50 | - | - | 3.50 |
| Mr. Bhanubhai R. Patel | - | - | 4.00 | - | - | 5.50 |
| Shares issued at premium by | | | | | | |
| Digisol Systems Limited | 164.82 | - | - | - | - | - |
| Security given during the year on behalf of (Pledge on units of Mutual Fund) | | | | | | |
| Digisol Systems Limited | 423.55 | - | - | - | - | - |
| Synegra EMS Limited | 247.46 | - | - | - | - | - |
| Bank Guarantee given during the year on behalf of | | | | | | |
| Digisol Systems Limited | 5,000.00 | - | - | 5,000.00 | - | - |
| Synegra EMS Limited | 1,300.00 | - | - | 1,570.00 | - | - |
| Bank Guarantee revoked during the year | | | | | | |
| Digisol Systems Limited | 5,000.00 | - | - | 2,000.00 | - | - |
| Synegra EMS Limited | 1,300.00 | - | - | 1,300.00 | - | - |

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

Balances due from and due to related parties

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Amount due from related party as on: | | |
| Subsidiary Companies: | | |
| Digisol Systems Limited | 4.75 | 16.98 |
| Synegra EMS Limited | 6.38 | 30.11 |
| Amount of Corporate Guarantee given and outstanding as on: | | |
| Subsidiary Companies: | | |
| Digisol Systems Limited | 5,000.00 | 5,000.00 |
| Synegra EMS Limited | 1,570.00 | 1,570.00 |

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.

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 and other financial liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.
2. The fair value of non-current financial assets comprising of term deposits at amortised cost using Effective Interest Rate (EIR) are not significantly different from the carrying amount.
3. The fair value of Lease liabilities are calculated based on cash flows discounted using a current lending rate. They are classified at level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

NOTE 40: FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of Mutual funds and FVOCI bonds and preference shares are based on published net assets values or other observable market data. They are classified at level 2 in the fair value hierarchy.
- Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes forming part of the Standalone financial statements

NOTE 40: FAIR VALUE HIERARCHY (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

Fair value measurement hierarchy of assets and liabilities

| Particulars | Fair value hierarchy | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|----------------------|
| Financial assets measured at amortized cost | | | |
| Investments in Debt securities | Level 3 | 4,727.99 | 4,551.90 |
| Fixed Deposits | Level 3 | 1,351.52 | 1,537.31 |
| Security Deposits | Level 3 | 8.10 | 7.93 |
| Financial assets measured at fair value | | | |
| Financial assets measured at fair value through profit or loss | Level 2 | 6,629.30 | 6,191.41 |
| Investments in mutual funds | | | |
| Trade receivables | Level 2 | 22.26 | 55.36 |
| Financial liabilities measured at amortized cost | | | |
| Security Deposits | Level 3 | 44.36 | 20.17 |
| Lease Liabilities | Level 3 | 147.43 | 147.31 |
| Financial guarantee obligation | Level 3 | 12.66 | 12.71 |
| Asset retirement obligation | Level 3 | 9.30 | 8.58 |
| Trade Payable | Level 3 | 41.47 | 115.64 |

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

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, 2024 and March 31, 2023 is the carrying amounts as mentioned in Note 5, 6, 7, 8 and 10.

(C) Liquidity risk

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

Notes forming part of the Standalone financial statements

NOTE 42:

(Amount in INR Lakhs, unless otherwise stated)

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: INTANGIBLE ASSETS UNDER DEVELOPMENT

The Company does not have any Intangible assets under development during the current year and the previous year.

NOTE 44: 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 45: 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 46: WILFUL DEFAULTER

The Company has not been declared a wilful defaulter by any bank or financial Institution.

NOTE 47: 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 48: "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 49: 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 50: 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 51:

The Company is a Non Banking Financial Company classified in Base layer as per the Master direction DOR.FIN.REC.NO. 45/03.10.119/2023-24 Dated October 19,2023 Reserve Bank of India (Non-Banking Financial Company Scale Based regulation) Direction, 2023. 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 52: 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, 2024 | | | As at March 31, 2023 | | |
|---|----------------------|------------------|------------------|----------------------|------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial assets | | | | | | |
| Cash and cash equivalents | 18.52 | - | 18.52 | 35.51 | - | 35.51 |
| Bank Balance other than Cash and cash equivalents | 1.84 | 781.83 | 783.67 | 1.84 | 768.66 | 770.50 |
| Investments | 7,299.36 | 10,670.33 | 17,969.69 | 6,701.38 | 10,820.74 | 17,522.12 |
| Receivables- Other Receivables | 22.26 | - | 22.26 | 55.36 | - | 55.36 |
| Other financial assets | 49.58 | 8.10 | 57.68 | 1.45 | 41.01 | 42.46 |
| Non Financial Assets | | | | | | |
| Current tax assets (Net) | - | 177.54 | 177.54 | - | 147.21 | 147.21 |
| Investment Property | - | 1,754.87 | 1,754.87 | - | 1,280.03 | 1,280.03 |
| Property, Plant and Equipment | - | 300.01 | 300.01 | - | 875.44 | 875.44 |
| Other non-financial assets | 67.42 | 5.60 | 73.02 | 65.11 | 12.50 | 77.61 |
| Total Assets | 7,458.98 | 13,698.28 | 21,157.26 | 6,860.65 | 13,945.59 | 20,806.24 |
| Financial liabilities | | | | | | |
| Trade Payables | 41.47 | - | 41.47 | 115.64 | - | 115.64 |
| Borrowings (Other than debt securities) | 0.03 | 147.40 | 147.43 | 0.03 | 147.28 | 147.31 |
| Other financial liabilities | 38.89 | 53.66 | 92.55 | 48.52 | 28.75 | 77.27 |
| Non financial liabilities | | | | | | |
| Provisions | 1.38 | 4.89 | 6.27 | 1.09 | 3.98 | 5.07 |
| Deferred tax liabilities (Net) | - | 428.65 | 428.65 | - | 365.70 | 365.70 |
| Other non-financial liabilities | 8.12 | 31.77 | 39.89 | 5.70 | 4.78 | 10.48 |
| Total Liabilities | 89.89 | 666.37 | 756.26 | 170.98 | 550.49 | 721.47 |
| Net | 7,369.09 | 13,031.91 | 20,401.00 | 6,689.67 | 13,395.10 | 20,084.77 |

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

(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

Notes forming part of the Standalone financial statements

(Amount in INR Lakhs, unless otherwise stated)

- 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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Short term liabilities as a % of total public funds | - | - |
| Short term liabilities as a % of total Liabilities | 11.89% | 23.70% |
| Short term liabilities as a % of total Assets | 0.42% | 0.82% |

(vi) Institutional set-up for liquidity risk management

Not Applicable

NOTE 53: 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 54: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the years ended March 31, 2024 and March 31, 2023.

NOTE 55: 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, 2024 and March 31, 2023.

NOTE 56:

The provisions of section 135 of Companies Act 2013, was not applicable to the Company and as such it was not required to spend 2% of average net profits made during the three immediately preceding financial years (March 31, 2023: INR 7.40 lakhs). The Company has spent INR NIL (March 31, 2023: INR 7.89 lakhs) towards Corporate Social Responsibility activities as under:

| A. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----|---|-------------------------|-------------------------|
| | Gross Amount required to be spent as per Section 135 of the Act | - | 7.40 |
| | Add: Amount Unspent from previous years | - | - |
| | Total Gross amount required to be spent during the year | - | 7.40 |
| B. | Amount approved by the Board to be spent during the year | - | 7.65 |
| C. | Amount spent during the year on | | |
| | (i) Construction/acquisition of an asset | - | - |
| | (ii) On purposes other than (i) above | - | 7.65 |

Notes forming part of the Standalone financial statements

NOTE 56: (CONTD.)

(Amount in INR Lakhs, unless otherwise stated)

D. Details related to amount spent

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | | |
| - Education purpose | - | 7.65 |
| Total | - | 7.65 |

E. Details of excess CSR expenditure

| Nature of Activity | Balance excess as at April 01, 2023 | Amount required to be spent during the year | Amount spent during the year | Balance excess as at March 31, 2024 |
|--|--|---|---------------------------------|--|
| -On purpose other than Construction / acquisition of any asset | (0.49) | - | - | (0.49) |

| Nature of Activity | Balance excess as at April 01, 2022 | Amount required to be spent during the year | Amount spent during the year | Balance excess as at March 31, 2023 |
|--|--|---|---------------------------------|--|
| -On purpose other than Construction / acquisition of any asset | (0.24) | 7.40 | 7.65 | (0.49) |

F. Disclosures on Shortfall

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Amount Required to be spent by the Company during the year | - | 7.40 |
| Actual Amount Spent by the Company during the year | - | 7.65 |
| PY Excess adjusted during the CY | - | 0.24 |
| Shortfall/(Excess) at the end of the year | - | (0.49) |
| Total of previous years shortfall | - | - |
| Reason for shortfall - State reasons for shortfall in expenditure | - | - |

NOTE 57:

Disclosure requirement as per regulation 34(3) of SEBI LODR Rules, 2015

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Loans and advances in the nature of loans to subsidiaries by name and amount. | - | - |
| Inter Corporate deposit given to Digisol Systems Limited INR 3,340 lakhs and repaid during the year | | |
| 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. | - | - |

NOTE 58:

As at March 31, 2024, the Company did not have any outstanding long term derivative contracts (previous year INR NIL)

NOTE 59:

There were no whistleblower complaints received during the FY 2023-24.

NOTE 60:

The Company does not have any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes forming part of the Standalone financial statements

NOTE 61:

(Amount in INR Lakhs, unless otherwise stated)

Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2013

(a) Amount of loans / advances in nature of loans outstanding from subsidiaries on a standalone basis

| Particulars | As at | Balance outstanding | Maximum amount outstanding during the year |
|---|-----------|---------------------|--|
| Inter Corporate Deposit given | | | |
| Digisol Systems Limited | 31-Mar-24 | - | 1,175.00 |
| (Loan for meeting working capital requirement) | 31-Mar-23 | - | - |
| Corporate Guarantee given | | | |
| Digisol Systems Limited | 31-Mar-24 | 5,000.00 | 5,000.00 |
| (Guarantee given for availment of working capital loan from Banks) | 31-Mar-23 | (5,000.00) | (5,000.00) |
| Synegra EMS Limited | 31-Mar-24 | 1,570.00 | 1,570.00 |
| (Guarantee INR 1300 lakhs for availment of working capital loan and INR 270 lakhs for Capex from Banks) | 31-Mar-23 | (1,570.00) | (1,570.00) |

(b) Details of Investments made are given in note 10.

NOTE 62:

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.

The Company uses an accounting software and a payroll application for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software and the payroll application, except that the audit trail feature is not enabled at the database level for the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software and payroll application. The same has been enabled from April 2024.

NOTE 63:

The Board of Directors of the Company at their meeting on February 09, 2024 has considered and approved the Scheme of Amalgamation (pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013) of Synegra EMS Limited, subsidiary company with the Company, subject to the requisite statutory and regulatory approvals. The appointed date for the Scheme shall be April 1, 2024. The Company has filed the the Scheme with the National Company Law Tribunal, Mumbai on April 30, 2024.

NOTE 64: EVENT AFTER REPORTING DATE:-

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

Ghaziabad, dated: May 09, 2024

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 09, 2024

Arati Naik

Executive Director

DIN: 06965985

Urjita Damle

Company Secretary

ICSI Membership No: 24654

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, 2024, and the Consolidated Statement of Profit and Loss (including the Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Notes 68 to the Consolidated Financial Statements in respect of a scheme of Amalgamation ("the Scheme") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 of Synegra EMS Limited, subsidiary company with the Holding Company, subject to the requisite statutory and regulatory approvals. The appointed date for the Scheme shall be April 01, 2024. On the Scheme becoming effective and with effect from the Appointed date, the account for the Amalgamation will be done as per the "Appendix C" of Ind AS 103 - Business Combinations.

Our opinion is not modified in respect of this matter.

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, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition from Networking Products

Refer the disclosure related to Revenue recognition in Note 26 to the accompanying Consolidated Financial Statements.

The Group has two business segments, a) Investment b) Networking products: Developing, manufacturing, sales and servicing of various Information technology (IT) hardware products.

Revenue from sale and servicing of networking products is recognised net of returns and trade discounts. The Group recognises revenue when performance obligations as per the underlying contracts are satisfied in accordance with Ind AS 115 - Revenue from Contract with Customers ("Ind AS 115"). The terms set out in the Group's sales contracts are varied which affect the timing of revenue recognition.

We have identified Revenue recognition from networking products as a Key Audit Matter because Ind AS 115 involved assessing if distinct performance obligations exists under each type of the contracts and ensuring that the revenue is recognised in the appropriate period in which contractual obligation is satisfied.

Our audit procedures to assess the recognition of revenue from Networking Products included the following:

- Obtained an understanding and assessed the design, implementation and operating effectiveness of internal controls over identification of the contractual obligation existence, accuracy and timing of revenue recognition.
- Verified the contracts on test check basis to identify performance obligations under the contract and to assess whether revenue is recognised in the period in which the performance obligation is satisfied.
- Performed substantive transactional testing on test check basis.
- Performed substantive analytical procedures considering the revenue trends of the previous years and the relationship between revenue and other financial statement line items.
- Reconciled the revenue with sales register.
- Performed cut-off testing to validate the timing of revenue recognition determined by management.
- Verified the completeness and accuracy of the disclosures.

2. Valuation of Investments in Bonds and Mutual Funds

Refer Note 13 to the consolidated financial statements.

As at March 31, 2024, the Holding Company has investments of Rs. 11,659.31 Lakhs in mutual funds and bonds which constitutes about 42.99% of the total assets of the Group. During the year, the Holding Company has recognised Rs. 443.01 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, 2024
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2024.
- 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.

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

Independent Auditor's Report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (before consolidation adjustment) of Rs. 12,383.42 lakhs as at March 31, 2024, total revenue (before consolidation adjustment) of Rs. 26,772.07 lakhs and total net profit after tax (before consolidation adjustment) of Rs. 420.42 lakhs and net cash inflow (before consolidation adjustment) amounting to Rs. 20.34 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 except for the matters stated in the paragraph 1(vii) below on reporting under Rule 1(g)(iv).
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The group does not have any pending litigations on its financial position which require disclosures in the consolidated financial statements as at March 31, 2024.
 - ii. The Group did not have any material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

Independent Auditor's Report

- iv. (1) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, and its subsidiary companies to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries have, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, and its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (2) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company, and its subsidiary companies from any person(s) / entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary companies have directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management of the Holding Company in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management of the Holding Company under sub-clause (1) and (2) contain any material misstatement.
- v. The Holding Company and its subsidiary company incorporated in India have not declared or paid dividend during the year and therefore reporting compliance with section 123 of the Act is not applicable.
 - vi. **In regard to Dynamics 365 Accounting Software:**

Based on our examination, the Holding Company and its subsidiaries incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level throughout the year ended March 31, 2024 in respect of Dynamics 365 Accounting Software to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this Dynamics 365 Accounting Software during the year ended March 31, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

In regard to ZING HR Software:

Based on our examination, the Holding Company and its subsidiaries incorporated in India have used an accounting software which is operated by a third-party software service provider for maintaining its payroll records. Based on an independent auditor's report of the service organization, the accounting software has a feature of recording audit trail (edit log) facility and the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software. Further, there were no instances of audit trail feature being tampered with

2. In our opinion, according to information, explanations given to us, the remuneration for the year ended March 31, 2024 paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V to the Act.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries associates included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For Shridhar & Associates

Chartered Accountants
ICAI Firm Registration No. 134427W

Abhishek Pachlangia

Partner

Membership No.: 120593

UDIN: 24120593BKCAMO3613

Place : Ghaziabad
Date : May 9, 2024

Annexure A to the Independent Auditor's Report

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[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, 2024]

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, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Smartlink Holdings Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Shridhar & Associates

Chartered Accountants
ICAI Firm Registration No. 134427W

Abhishek Pachlangia

Partner
Membership No.: 120593
UDIN: 24120593BKCAMO3613

Place : Ghaziabad
Date : May 9, 2024

Consolidated Balance Sheet as at March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|----------|----------------------|----------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 5 | 44.26 | 40.91 |
| Bank balance other than cash and cash equivalents | 6 | 842.22 | 1,325.50 |
| Receivables | | | |
| (I) Trade receivables | 7 | 5,738.20 | 4,032.24 |
| (II) Other receivables | 7 | 11.13 | 8.27 |
| Investments | 13 | 13,010.83 | 12,280.62 |
| Other financial assets | 8 | 516.28 | 350.14 |
| Non-financial Assets | | | |
| Inventories | 14 | 2,244.09 | 3,330.91 |
| Current tax assets (Net) | 9 | 199.64 | 176.28 |
| Deferred tax assets (Net) | 36 | 587.43 | 632.74 |
| Investment property | 10 | 1,595.00 | 1,106.11 |
| Property, plant and equipment | 11 | 1,602.39 | 2,203.49 |
| Other Intangible assets | 12 | - | - |
| Other non-financial assets | 15 | 727.00 | 1,041.36 |
| Total Assets | | 27,118.47 | 26,528.57 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Financial Liabilities | | | |
| Trade payables | 16 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 17.76 | 124.66 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,842.67 | 3,581.33 |
| Borrowings (Other than Debt Securities) | 17 | 3,162.62 | 3,366.66 |
| Other financial liabilities | 18 | 347.20 | 400.97 |
| Non-Financial Liabilities | | | |
| Provisions | 19 | 204.71 | 144.25 |
| Deferred tax liabilities (Net) | 36 | 428.65 | 365.71 |
| Other non-financial liabilities | 20 | 87.25 | 194.69 |
| EQUITY | | | |
| Equity share capital | 21 | 199.50 | 199.50 |
| Other equity | 22 | 18,828.11 | 18,150.80 |
| Non-controlling interest | 23 | - | - |
| Total Liabilities and Equity | | 27,118.47 | 26,528.57 |

See accompanying notes to the consolidated financial statements 1-69
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

Ghaziabad, dated: May 09, 2024

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

K. R. Naik
Executive Chairman
DIN: 00002013

K. G. Prabhu
Chief Financial Officer

Mumbai, dated: May 09, 2024

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, 2024

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Note No. | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|----------|-----------------------------------|-----------------------------------|
| REVENUE FROM OPERATIONS | | | |
| Interest Income | 24 | 570.47 | 444.78 |
| Rental Income | 43B | 87.30 | 69.32 |
| Net gain on fair value changes | 25 | 443.01 | 317.78 |
| Revenue from contracts with customer | 26 | 19,817.24 | 15,473.38 |
| Total Revenue from operations | | 20,918.02 | 16,305.26 |
| Other Income | 27 | 76.39 | 128.68 |
| Total Income | | 20,994.41 | 16,433.94 |
| EXPENSES | | | |
| Finance costs | 28 | 223.67 | 171.91 |
| Impairment of financial instruments | 29 | - | 0.26 |
| Purchase of stock-in-trade | 30 | 8,524.54 | 7,899.88 |
| Cost of raw material consumed | 31 | 7,179.10 | 5,814.83 |
| Change in inventories of finished goods, work-in-progress and stock-in-trade | 32 | 401.12 | (1,426.68) |
| Employee benefits expenses | 33 | 1,945.18 | 1,653.07 |
| Depreciation and amortisation expense | 34 | 346.46 | 298.60 |
| Other expenses | 35 | 1,504.49 | 1,838.85 |
| Total Expenses | | 20,124.56 | 16,250.72 |
| Profit / (Loss) before exceptional items and tax | | 869.85 | 183.22 |
| Exceptional Items (refer note 10 (c)) | | - | 2,091.57 |
| Profit / (Loss) before tax | | 869.85 | 2,274.79 |
| Less: Tax Expense: | | | |
| - Current Tax | | 51.67 | 334.89 |
| - Deferred Tax | | 113.63 | 65.68 |
| - Tax Adjustments of earlier year | | (1.40) | (49.72) |
| Total Tax Expense | 36(D) | 163.90 | 350.85 |
| Profit / (Loss) for the year | | 705.95 | 1,923.94 |
| Other Comprehensive Income | | | |
| A. Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains / (loss) on defined benefit plan | | (34.02) | (34.86) |
| - Income tax relating to above | 36(E) | 5.38 | 5.49 |
| Other Comprehensive Income / (loss) for the year, net of tax | | (28.64) | (29.37) |
| Total Comprehensive Income for the year | | 677.31 | 1,894.57 |
| Profit / (Loss) for the year attributable to | | | |
| Equity holders of the parent | | 705.95 | 1,923.94 |
| Non-controlling interest | | - | - |
| Other comprehensive income for the period attributable to | | | |
| Equity holders of the parent | | (28.64) | (29.37) |
| Non-controlling interest | | - | - |
| Total comprehensive income for the year, net of tax, attributable to | | | |
| Equity holders of the parent | | 677.31 | 1,894.57 |
| Non-controlling interest | | - | - |
| Basic and diluted Earnings per share | | | |
| (Nominal value per share Rs 2) | 38 | 7.08 | 19.29 |

See accompanying notes to the consolidated financial statements
The accompanying notes are an integral part of the financial statements

1-69

As per my report of even date

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

Abhishek Pachlangia
Partner
Membership No. 120593

Ghaziabad, dated: May 09, 2024

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

K. R. Naik
Executive Chairman
DIN: 00002013

K. G. Prabhu
Chief Financial Officer

Mumbai, dated: May 09, 2024

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, 2024

(Amount in INR Lakhs, unless otherwise stated)

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Net profit before tax | 869.85 | 2,274.79 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 346.46 | 298.60 |
| Profit on Property, plant and equipment sold / written off (net) | (4.11) | (2,143.28) |
| Provision for diminution in value of non current investments | - | 0.26 |
| EIR impact of security deposits and rent amortization | (1.47) | (1.32) |
| EIR impact of interest income on bonds | 1.19 | 6.94 |
| Interest on income tax refund | (14.41) | (2.79) |
| Bad Debts written off | - | 0.22 |
| Provision for doubtful debts made/(written back) | (2.74) | 5.82 |
| Net gain on fair value changes | (443.01) | (317.78) |
| Unrealised Foreign exchange difference (net) | (3.74) | (13.14) |
| Sundry balances written off / (back) (net) | (0.04) | 4.53 |
| Finance costs | 223.67 | 171.91 |
| Gain on derecognition of Right to use assets | - | (2.72) |
| Provision for warranty (net) | 25.72 | 9.30 |
| Operating profit / (loss) before working capital changes | 997.37 | 291.34 |
| Changes in working capital | | |
| (Increase) / Decrease in Investments | (288.39) | (995.22) |
| (Increase) / Decrease in Fixed deposits with Banks | 483.28 | 627.75 |
| (Increase) / Decrease in Inventories | 1,086.82 | (1,897.70) |
| (Increase) / Decrease in Trade and other receivables | (1,702.28) | (2,329.23) |
| (Increase) / Decrease in Other financial assets | (153.74) | (63.12) |
| (Increase) / Decrease in Other non-financial assets | 363.06 | (337.75) |
| Increase / (Decrease) in Trade payables | 154.38 | 2,474.59 |
| Increase / (Decrease) in Other financial liabilities | (17.35) | (103.25) |
| Increase / (Decrease) in Other non-financial liabilities | (107.44) | 122.21 |
| Increase / (Decrease) in provisions | 0.72 | 2.24 |
| Cash generated from / (used in) operations | 816.43 | (2,208.14) |
| Income tax paid | (70.15) | (377.86) |
| Net cash flows from / (used in) operating activities (A) | 746.28 | (2,586.00) |
| Cash flow from Investing activities | | |
| Purchase of property, plant and equipment and investment property | (319.37) | (412.09) |
| Proceeds from Sale of property, plant and equipment and intangible assets. | 4.11 | 2,507.37 |
| Net cash flow from / (used in) investing activities (B) | (315.26) | 2,095.28 |

Consolidated Statement of Cash Flow for the year ended March 31, 2024

(Amount in INR Lakhs, unless otherwise stated)

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Cash flow from Financing activities | | |
| Proceeds from / (Repayment of) borrowings | (162.88) | 681.92 |
| Interest payments | (197.49) | (146.47) |
| Cash Payment for the principal portion of lease payments | (67.34) | (62.94) |
| Net cash flows from / (used in) financing activities (C) | (427.71) | 472.51 |
| Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | 3.31 | (18.21) |
| Cash and cash equivalents at the beginning of the year | 40.91 | 59.14 |
| Effect of exchange differences on restatement of foreign currency Cash and bank balance | 0.04 | (0.02) |
| Cash and cash equivalents at the end of the year | 44.26 | 40.91 |
| Cash and cash equivalents comprise | | |
| Balances with banks | | |
| On current accounts | 21.60 | 38.13 |
| Fixed deposits with maturity of less than 3 months | 20.00 | - |
| Cash on hand | 2.66 | 2.78 |
| Total cash and cash equivalents at end of the year | 44.26 | 40.91 |

(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

| | | |
|-------------------|-------|--------|
| Lease Liabilities | 26.18 | 219.79 |
|-------------------|-------|--------|

See accompanying notes to the consolidated financial statements 1-69
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

Ghaziabad, dated: May 09, 2024

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman
DIN: 00002013

K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 09, 2024

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, 2024

(Amount in INR lakhs, unless otherwise stated)

EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------|----------------------|---------------|----------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Opening | 99,75,000 | 199.50 | 99,75,000 | 199.50 |
| Add: Issued during the year | - | - | - | - |
| Less: Bought back during the year | - | - | - | - |
| Closing | 99,75,000 | 199.50 | 99,75,000 | 199.50 |

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, 2022 | 92.95 | 899.50 | 400.60 | 5,567.20 | 9,361.00 | (22.95) | 2.27 | 16,300.57 | (4.81) |
| Profit for the year | - | - | - | - | 1,923.94 | - | - | 1,923.94 | - |
| Other comprehensive income / (loss) | - | - | - | - | - | (29.37) | (2.27) | (31.64) | - |
| Total Comprehensive Income for the year | - | - | - | - | 1,923.94 | (29.37) | (2.27) | 1,892.30 | - |
| Adjustment on Amalgamation | - | - | - | - | (42.07) | - | - | (42.07) | 4.81 |
| Transfer to Statutory Reserve | - | 354.82 | - | - | (354.82) | - | - | - | - |
| Balance at March 31, 2023 | 92.95 | 1,254.32 | 400.60 | 5,567.20 | 10,888.05 | (52.32) | - | 18,150.80 | - |

| 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, 2023 | 92.95 | 1,254.32 | 400.60 | 5,567.20 | 10,888.05 | (52.32) | - | 18,150.80 | - |
| Profit for the year | - | - | - | - | 705.95 | - | - | 705.95 | - |
| Other comprehensive income / (loss) | - | - | - | - | - | (28.64) | - | (28.64) | - |
| Total Comprehensive Income for the year | - | - | - | - | 705.95 | (28.64) | - | 677.31 | - |
| Adjustment on Amalgamation | - | - | - | - | - | - | - | - | - |
| Transfer to Statutory Reserve | - | 64.09 | - | - | (64.09) | - | - | - | - |
| Balance at March 31, 2024 | 92.95 | 1,318.41 | 400.60 | 5,567.20 | 11,529.91 | (80.96) | - | 18,828.11 | - |

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

NOTE 1: CORPORATE INFORMATION

Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) (“Company” or “Parent” or “Parent Company”), incorporated in Goa is a Non-Banking Financial Institution (NBFI) (non-deposit taking) as defined under Reserve Bank of India Act, 1934. The Company’s registered office is situated at Verna Industrial Estate, Goa, India.

The Consolidated Financial Statement of Smartlink Holdings Limited comprise of the financial statements of the Parent Company and its subsidiaries Digisol Systems Limited and Synegra EMS Limited, together referred to as the ‘Group’.

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

Digisol Systems Limited is in the business of developing, manufacturing, marketing, distributing and servicing of various categories of Networking and Information Technology (IT) Products.

Synegra EMS Limited is in the business of manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers.

Telesmart SCS Limited was in the business of manufacture of various category of electronic and IT products. During the previous year company had merged with Digisol Systems Limited (refer note 37(B)).

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2024 and authorised for issue on May 9, 2024.

NOTE 2: MATERIAL ACCOUNTING POLICIES

Material accounting policies adopted by the Group are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and Company (Indian Accounting Standard) Ammendment Rules, 2016.

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

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

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

(b) Use of estimates

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

2.2 Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date, fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold a hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the noncontrolling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity.

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

2.3 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives

The Group depreciates Property, Plant and Equipments using the straight line method over their estimated useful lives as under:

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

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

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

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Depreciation on derecognition of an asset from property plant and equipment is provided up to the date preceding the date of derecognition.

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

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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 as right of use assets.

2.5 Intangible Assets

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

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

| Intangible assets | Useful life (in years) |
|------------------------------------|------------------------|
| Computer Software (ERP) | 3 |
| Computer Software (other software) | 4 |
| Technical know-how | 5 |

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

2.6 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.7 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement.

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

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

2.8 Revenue Recognition

(a) Interest income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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 Recognition

Sale of Products

Revenue from contract with customers is recognised at a point in time when the Company satisfies the performance obligation by transferring / delivering promised goods 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 and amounts collected on behalf of third party.

Rendering of Services

The Company primarily earns revenue from repair charges. Revenue is recognised in accordance with the terms of the contract with customers when the identified performance obligation is completed. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable and is net of Goods and Service Tax.

Royalty Income

Royalty Income represents earning from licensing arrangements of the Company's trademarks. Revenue from royalty is recognised in accordance with the agreement with customers when the identified performance obligation is satisfied. The revenue is measured at the agreed basis representing the fair value of consideration received or receivable and is net of Goods and Service Tax.

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

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.

2.12 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine 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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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.

Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

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

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

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

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

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

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

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.

Notes forming part of the consolidated 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 Group or the counterparty.

2.16 Inventories

Inventories are valued at the lower of cost (on weighted average basis) and net realisable value.

Cost of inventories comprises of cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The net realizable value of work in progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed the net realizable value.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

2.17 Employee Benefits

(a) Short-term obligations

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

(b) long-term employee benefit obligations

(i) Defined contribution plan

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

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

(ii) Defined benefit plans

Gratuity:

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

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

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

(c) Other Long Term Employee Benefits:

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

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

2.18 Earnings Per Share

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

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

2.19 Borrowing Costs

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

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

- 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.

2.20 Dividend on ordinary shares

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

2.21 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker.

The group has two business segments:

- (i) Investment: Earning income through dividends, interest, rentals and gains on Investment in securities and property.
- (ii) Networking Products: Developing, manufacturing, marketing, distributing and servicing of networking products.

2.22 Rounding off amounts

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

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 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.

NOTE 4: RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA had not notified any new standards or amendments to the existing standards applicable to the Company.

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, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Cash on hand | 2.66 | 2.78 |
| Balances with banks | | |
| On current accounts | 21.60 | 38.13 |
| Fixed deposits with maturity of less than 3 months* | 20.00 | - |
| Total | 44.26 | 40.91 |
| *Fixed Deposit kept as cash margin for Non fund based facility (letter of credit) from ICICI Bank Limited. | 20.00 | - |

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| In Fixed deposit with maturity for more than 12 months* | 840.38 | 1,323.66 |
| Unpaid dividend accounts | 1.84 | 1.84 |
| Total | 842.22 | 1,325.50 |

*

- Includes INR 75.69 lakhs (March 31, 2023 INR 72.45 lakhs) held as margin money against bank guarantee.
- Includes INR 663.08 lakhs (March 31, 2023 INR Rs. 660.00 lakhs) fixed deposits under lien with the banks as margin money against bank overdraft facility availed. Refer note 17(a).
- Includes INR 58.55 lakhs (March 31, 2023 INR 55.00 lakhs) fixed deposits under lien with the Small Industrial Development Bank of India as a margin money against term loan availed. Refer note 17(c).

NOTE 7: RECEIVABLES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade Receivables | | |
| Receivables considered good - Secured | - | - |
| Receivables considered good - Unsecured | 5,738.20 | 4,032.24 |
| Receivables considered doubtful - Unsecured | 26.27 | 29.01 |
| Less : Provision for doubtful debts | (26.27) | (29.01) |
| | 5,738.20 | 4,032.24 |
| Others Receivables | | |
| Considered good - Unsecured - From Others | 11.13 | 8.27 |
| Total | 5,749.33 | 4,040.51 |
| Carrying value of trade receivables hypothecated as security by Digisol Systems Limited and Synegra EMS Limited, Net of eliminations of Rs. 753.55 lakhs (March 31, 2023: INR 112.77 lakhs) | 5,738.20 | 4,032.24 |

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, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Undisputed Trade receivables – considered good | | |
| Unbilled Dues | - | - |
| Not Due | 5,035.72 | 3,765.03 |
| Less than 6 months | 723.70 | 283.94 |
| 6 months - 1 year | 7.97 | 0.35 |
| 1-2 years | 0.06 | 1.62 |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 5,767.45 | 4,050.94 |

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, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - |
| (iv) Disputed Trade Receivables – considered good | | |
| 6 months – 1 year | - | 10.43 |
| More than 3 years | 8.15 | 8.15 |
| Total | 8.15 | 18.58 |
| (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) | (26.27) | (29.01) |
| Total | 5,749.33 | 4,040.51 |

NOTE 8: OTHER FINANCIAL ASSETS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Security Deposits (gross) | 29.76 | 28.13 |
| Less: Provision for impairment loss | - | - |
| Security Deposits (net) | 29.76 | 28.13 |
| Advance to employees | 6.60 | 5.89 |
| Accrued interest on deposit | 37.46 | 36.12 |
| Interest receivable on Income Tax refund | 10.93 | - |
| Production Linked Incentive Receivable | 431.53 | 280.00 |
| Total | 516.28 | 350.14 |

NOTE 9: CURRENT TAX ASSETS (NET)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Advance payment of taxes and tax deducted at source (net of provisions for taxation of INR 992.57 lakhs (March 31, 2023: INR 1,051.50 lakhs) | 199.64 | 176.28 |
| Total | 199.64 | 176.28 |

NOTE 10: INVESTMENT PROPERTY

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 (Amount) | | | |
|---|----------------------|---------------|-----------------|-----------------|-------------------------------|---------------|---------------|-----------------|
| | Amount | | | | Amount | | | |
| | Land Leasehold | Land Freehold | Building | Total | Land Leasehold | Land Freehold | Building | Total |
| Gross Block | | | | | | | | |
| Opening balance of gross carrying amount | 708.34 | - | 545.80 | 1,254.14 | 856.72 | - | 545.80 | 1,402.52 |
| Additions | - | - | - | - | - | - | - | - |
| Disposals (refer note (c)) | - | - | - | - | 148.38 | - | - | 148.38 |
| Transferred from Property, Plant and Equipment (refer note (e)) | - | 87.91 | 681.73 | 769.64 | - | - | - | - |
| Closing balance of gross carrying amount | 708.34 | 87.91 | 1,227.53 | 2,023.78 | 708.34 | - | 545.80 | 1,254.14 |
| Accumulated Depreciation | | | | | | | | |
| Opening accumulated depreciation | 39.87 | - | 108.16 | 148.03 | 31.03 | - | 91.61 | 122.64 |
| Charge for the year | 8.85 | - | 17.50 | 26.35 | 8.84 | - | 16.55 | 25.39 |
| Deduction | - | - | - | - | - | - | - | - |
| Transferred from Property, Plant and Equipment (refer note (e)) | - | 87.91 | 166.49 | 254.40 | - | - | - | - |
| Closing accumulated depreciation | 48.72 | 87.91 | 292.15 | 428.78 | 39.87 | - | 108.16 | 148.03 |
| Net Block | 659.62 | - | 935.38 | 1,595.00 | 668.47 | - | 437.64 | 1,106.11 |

Note:

- (a) Asset given on operating lease - gross value - on March 31, 2024: INR 2,023.78 lakhs (March 31, 2023: INR 1,254.14 lakhs), - written down value on March 31, 2024: INR 1,595.00 lakhs (March 31, 2023: INR 1,106.11 lakhs)
- (b) INR 79.08 lakhs (March 31, 2023: INR 39.33 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)

- (c) The Board of Directors of the Parent Company at their meeting held on August 04, 2022 had approved the Memorandum of Understanding ("MOU") for sale of land admeasuring 643.9 Sq. Mts. situated at Off C.S.T. Road, Santacruz (E), Mumbai 400098 for a consideration of INR 2,475.00 lakhs. The Company has completed the sale on execution of the sale deed. Consequently, the profit on the sale of INR 2,091.57 lakhs has been recognised and disclosed as exceptional item in the previous year.
- (d) Fair value as on March 31, 2024 of Land INR 5,728.70 lakhs and Buildings INR 896.60 lakhs.
- (e) Freehold Land and building given on operating lease have been reclassified from Property, plant and Equipment.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross Block | | | | Depreciation | | | | | Net block | | |
|-------------------------------------|----------------------|---------------|--------------|---------------------------------|----------------------|----------------------|---------------------|--------------|---------------------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2023 | Additions | Deductions | Transfer to Investment Property | As at March 31, 2024 | As at April 01, 2023 | Charge for the year | Deductions | Transfer to Investment Property | As at March 31, 2024 | As at March 31, 2024 | As at April 01, 2023 |
| Land-Freehold (refer note (d)) | 87.91 | - | - | 87.91 | - | 87.91 | - | - | 87.91 | - | - | - |
| Buildings-Own Use (refer note (d)) | 1,789.82 | - | - | 681.73 | 1,108.09 | 947.45 | 46.14 | - | 166.49 | 827.10 | 280.99 | 842.37 |
| Plant and equipment | 1,977.84 | 215.80 | 20.80 | - | 2,172.84 | 1,073.08 | 169.71 | 20.80 | - | 1,221.99 | 950.85 | 904.76 |
| Furniture and fixture | 313.62 | - | 0.90 | - | 312.72 | 296.54 | 2.82 | 0.90 | - | 298.46 | 14.26 | 17.08 |
| Vehicles | 132.27 | - | - | - | 132.27 | 29.38 | 24.57 | - | - | 53.95 | 78.32 | 102.89 |
| Office equipment | 146.34 | 1.59 | - | - | 147.93 | 142.98 | 1.31 | - | - | 144.29 | 3.64 | 3.36 |
| Electrical installations | 801.99 | 3.42 | 34.00 | - | 771.41 | 757.30 | 6.64 | 34.00 | - | 729.94 | 41.47 | 44.69 |
| Computers | 281.51 | 13.44 | - | - | 294.95 | 261.25 | 17.60 | - | - | 278.85 | 16.10 | 20.26 |
| Right of use assets (refer note 43) | 324.00 | - | - | - | 324.00 | 55.92 | 51.32 | - | - | 107.24 | 216.76 | 268.08 |
| Total | 5,855.30 | 234.25 | 55.70 | 769.64 | 5,264.21 | 3,651.81 | 320.11 | 55.70 | 254.40 | 3,661.82 | 1,602.39 | 2,203.49 |

| Particulars | Gross Block | | | | Depreciation | | | | | Net block | | |
|-------------------------------------|----------------------|---------------|---------------|-------------|----------------------|----------------------|---------------------|---------------|-------------|----------------------|----------------------|----------------------|
| | As at April 01, 2022 | Additions | Deductions | Adjustments | As at March 31, 2023 | As at April 01, 2022 | Charge for the year | Deductions | Adjustments | As at March 31, 2023 | As at March 31, 2023 | As at April 01, 2022 |
| Land-Freehold | 87.91 | - | - | - | 87.91 | 87.91 | - | - | - | 87.91 | - | - |
| Buildings-Own Use | 1,789.82 | - | - | - | 1,789.82 | 900.35 | 47.10 | - | - | 947.45 | 842.37 | 889.47 |
| Plant and equipment | 2,197.70 | 256.37 | 476.23 | - | 1,977.84 | 1,413.09 | 136.22 | 476.23 | - | 1,073.08 | 904.76 | 784.61 |
| Furniture and fixture | 297.88 | 15.74 | - | - | 313.62 | 295.26 | 1.28 | - | - | 296.54 | 17.08 | 2.62 |
| Vehicles | 28.02 | 111.56 | 7.31 | - | 132.27 | 22.03 | 14.66 | 7.31 | - | 29.38 | 102.89 | 5.99 |
| Office equipment | 145.01 | 1.33 | - | - | 146.34 | 141.62 | 1.36 | - | - | 142.98 | 3.36 | 3.39 |
| Electrical installations | 774.91 | 27.08 | - | - | 801.99 | 751.95 | 5.35 | - | - | 757.30 | 44.69 | 22.96 |
| Computers | 281.51 | - | - | - | 281.51 | 246.03 | 15.22 | - | - | 261.25 | 20.26 | 35.48 |
| Right of use assets (refer note 43) | 180.02 | 227.80 | 83.82 | - | 324.00 | 67.45 | 48.31 | 59.84 | - | 55.92 | 268.08 | 112.57 |
| Total | 5,782.78 | 639.88 | 567.36 | - | 5,855.30 | 3,925.69 | 269.50 | 543.38 | - | 3,651.81 | 2,203.49 | 1,857.09 |

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, 2024 and March 31, 2023.
- (c) Plant and Equipment of INR 300 lakhs hypothecated to SIDBI by Synegra EMS Limited as first charge against Term loan.
- (d) Freehold Land and building given on operating lease have been reclassified to Investment Property.**

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 12: OTHER INTANGIBLE ASSETS

| Particulars | Gross Block | | | | Depreciation | | | | | Net block | | |
|--------------------|----------------------|-----------|------------|-------------|----------------------|----------------------|---------------------|------------|-------------|----------------------|----------------------|----------------------|
| | As at April 01, 2023 | Additions | Deductions | Adjustments | As at March 31, 2024 | As at April 01, 2023 | Charge for the year | Deductions | Adjustments | As at March 31, 2024 | As at March 31, 2024 | As at April 01, 2023 |
| Computer Software | 176.34 | - | - | - | 176.34 | 176.34 | - | - | - | 176.34 | - | - |
| Technical know-how | 37.75 | - | - | - | 37.75 | 37.75 | - | - | - | 37.75 | - | - |
| Total | 214.09 | - | - | - | 214.09 | 214.09 | - | - | - | 214.09 | - | - |

| Particulars | Gross Block | | | | Depreciation | | | | | Net block | | |
|--------------------|----------------------|-----------|------------|-------------|----------------------|----------------------|---------------------|------------|-------------|----------------------|----------------------|----------------------|
| | As at April 01, 2022 | Additions | Deductions | Adjustments | As at March 31, 2023 | As at April 01, 2022 | Charge for the year | Deductions | Adjustments | As at March 31, 2023 | As at March 31, 2023 | As at April 01, 2022 |
| Computer Software | 176.34 | - | - | - | 176.34 | 176.18 | 0.16 | - | - | 176.34 | - | 0.16 |
| Technical know-how | 37.75 | - | - | - | 37.75 | 34.20 | 3.55 | - | - | 37.75 | - | 3.55 |
| Total | 214.09 | - | - | - | 214.09 | 210.38 | 3.71 | - | - | 214.09 | - | 3.71 |

Note:

(a) The group has not revalued any of its intangible assets during the years ended March 31, 2024 and March 31, 2023.

NOTE 13: INVESTMENTS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Investments measured at amortised cost | | |
| Debt securities | 4,727.99 | 4,551.90 |
| Fixed Deposits | 1,351.52 | 1,537.31 |
| Investments measured at Fair Value through Profit or Loss | | |
| Mutual funds | 6,931.32 | 6,191.41 |
| Total - Gross (A) | 13,010.83 | 12,280.62 |
| Less: Allowance for Impairment loss (B) | - | - |
| Total - Net (A)-(B) | 13,010.83 | 12,280.62 |
| Investments outside India | - | - |
| Investments in India | 13,010.83 | 12,280.62 |

Details of investments

| Particulars | Face Value | Nos | | Amount | |
|--|------------|----------------------|----------------------|----------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| 1 Investments measured at Amortised Cost | | | | | |
| Investments in bonds (Quoted) (refer footnote 1): | | | | | |
| Canara Bank BD Perpetual - 9.55% | 1,000,000 | 10 | 10 | 100.58 | 100.58 |
| Cholamandalam Investment and Finance Company Ltd - NCD 8.80% | 1,000,000 | 30 | 30 | 320.98 | 320.90 |
| Mahindra Rural housing Finance Ltd 2017 - NCD 8.50% | 1,000,000 | 30 | 30 | 321.01 | 320.94 |
| Tata Motors Finance Limited Perpetual NCD -11.10% | 1,000,000 | 30 | 30 | 342.83 | 342.74 |
| Bajaj Finance Ltd 2027 - NCD 8.15% | 1,000,000 | 5 | 5 | 50.64 | 50.63 |

Notes forming part of the consolidated financial statements

Details of investments (contd.)

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Face Value | Nos | | Amount | |
|---|------------|----------------------|----------------------|----------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| UP Power Corporation Limited - NCD 10.15% | 1,000,000 | - | 10 | - | 102.29 |
| North Eastern Electric Power Corporation Limited - NCD 7.68% | 1,000,000 | 20 | 20 | 205.99 | 206.13 |
| Mahindra and Mahindra Financial Services Limited 2031 - 7.35% | 1,000,000 | 20 | 20 | 210.87 | 210.83 |
| State Bank of India Unsecured Rated Listed Additional Tier I Non Convertible Bond - 7.72% | 10,000,000 | 3 | 3 | 313.93 | 314.09 |
| Kotak Mahindra Bank Limited Basel III perp - 8.10% | 5 | - | 4,000,000 | - | 201.20 |
| State Bank of India perp - 100 year - 7.55% | 10,000,000 | 2 | 2 | 204.53 | 204.50 |
| L&T Finance Limited Tier II (series-s) - 9.95% | 1,000,000 | 16 | 16 | 179.85 | 167.50 |
| Punjab National Bank (TIER II) Bonds - 9.20% | 1,000,000 | 11 | 11 | 115.52 | 117.47 |
| L&T Finance Holdings Limited MLD | 1,000,000 | 20 | 20 | 200.23 | 200.23 |
| TATA Capital Limited - 7.89% | 1,000,000 | 50 | 50 | 528.80 | 529.18 |
| L&T Finance Holdings Limited - 8.75% | 1,000,000 | 9 | 9 | 92.17 | 92.87 |
| Mahindra and Mahindra Financial Services Limited - 7.90% | 1,000,000 | 50 | 50 | 523.45 | 523.41 |
| Bank Of India (Series XI) - 9.80% | 1,000,000 | - | 8 | - | 88.49 |
| PNB Housing Finance Limited Bonds (Series XVII.B) - 9.48% | 1,000,000 | - | 25 | - | 252.66 |
| L & T Finance Limited - 8.90% | 1,000,000 | 19 | 19 | 205.09 | 205.26 |
| HDFC Credila Financial Services Limited Perpetual NCD - 10.50% | 1,000,000 | 8 | - | 82.29 | - |
| Tata Capital Limited Perpetual - 9.80% | 1,000,000 | 20 | - | 218.86 | - |
| U.P. Power Corporation Limited - 9.95% | 1,000,000 | 13 | - | 132.45 | - |
| Shriram Finance Limited - 8.75% | 100,000 | 160 | - | 172.57 | - |
| Cholamandalam Investment and Finance Company Limited - 8.50% | 1,000 | 20,000 | - | 205.35 | - |
| | | | | 4,727.99 | 4,551.90 |
| Fixed Deposits (Unquoted) | | | | | |
| Fixed Deposit with Bajaj Finance Limited (refer footnote 2) | | 3 | 3 | 1,351.52 | 1,537.31 |
| | | | | 1,351.52 | 1,537.31 |
| 2. Investments measured at Fair Value through Profit or Loss | | | | | |
| Mutual funds (Unquoted) | | | | | |
| HDFC Mutual Fund | | | | | |
| HDFC Corporate Bond Fund - Direct Plan - Growth | 10 | - | 390,996.466 | - | 107.99 |
| ICICI Mutual Fund | | | | | |
| ICICI Prudential Banking & PSU Debt Fund - Growth | 10 | 1,974,384.395 | 2,067,524.707 | 585.53 | 569.54 |
| ICICI Prudential Corporate Bond Fund - Growth | 10 | 2,117,912.167 | 2,117,912.167 | 570.70 | 528.89 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 10 | - | 493,524.038 | - | 128.45 |
| ICICI Prudential Short Term Fund - Growth Option | 10 | - | 40,817.002 | - | 20.62 |
| ICICI balance Advantage Fund - Growth | 10 | 172,983.785 | 78,693.356 | 123.41 | 45.47 |
| ICICI Prudential Overnight fund direct plan growth | 1,000 | 48,465.434 | - | 625.46 | - |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Face Value | Nos | | Amount | |
|---|------------|----------------------|----------------------|----------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Kotak Mahindra Mutual Fund | | | | | |
| Kotak Bond Fund Short Term - Growth - Regular Plan | 10 | 1,504,985.518 | 1,504,985.518 | 711.05 | 663.94 |
| Birla Sun Life Mutual Fund | | | | | |
| Birla Sun life floating rate fund - growth - regular plan | 10 | - | 76,645.066 | - | 224.53 |
| Aditya Birla sun life floating rate fund growth direct plan | 100 | 7,867.557 | 175,327.342 | 25.45 | 525.26 |
| Aditya Birla Sun Life Corporate Bond Fund - growth - direct | 100 | 60,801.493 | - | 62.77 | - |
| SBI Mutual fund | | | | | |
| SBI Short Term Debt Fund-Regular Plan-Growth | 10 | 4,005,505.013 | 4,077,363.452 | 1,163.79 | 1,106.21 |
| 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 | - | 13,649.982 | - | 12.75 |
| Invesco Mutual Fund | | | | | |
| Invesco India Ultra Short Term Fund Plan Growth (refer footnote 3) | 10 | 10,022.335 | 10,022.335 | 247.46 | 230.95 |
| Invesco India Short Term Fund - Regular Plan | 10 | 7,725.541 | 7,725.541 | 273.54 | 254.42 |
| HSBC Mutual Fund | | | | | |
| HSBC Corporate Bond Fund - Direct Growth (Formerly L & T Triple Ace Bond Fund - Direct Plan-Growth) | 10 | 43,408.700 | 252,757.312 | 30.39 | 164.44 |
| HSBC Short Duration Fund - Direct Growth (Formerly L & T Short Term Bond Fund - Direct Plan - Growth) | 10 | 1,685,769.092 | 2,897,136.850 | 425.34 | 680.93 |
| Bandhan Mutual Fund | | | | | |
| Bandhan Banking & PSU Debt Fund - Direct Plan - Growth (Formerly IDFC Banking & PSU Debt Fund - Direct Plan - Growth) (refer footnote 4) | 10 | 1,849,165.387 | 1,940,480.415 | 423.55 | 414.35 |
| Bandhan Dynamic bond fund - Growth - regular plan (Formerly IDFC Dynamic Bond fund growth regular) | 10 | 1,077,845.928 | 1,077,845.928 | 336.59 | 309.21 |
| Edelweiss Mutual Fund | | | | | |
| Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth | 10 | 1,837,832.906 | 1,837,832.906 | 218.20 | 203.46 |
| Bajaj Finserv Mutual fund | | | | | |
| Bajaj Finserv Liquid Fund - Direct - Growth | 1,000 | 28,964.883 | - | 305.23 | - |
| Bajaj Finserv Money Market Fund - Direct Plan - Growth | 1,000 | 47,465.491 | - | 500.84 | - |
| Nippon India Mutual Fund | | | | | |
| Nippon India Liquid Fund - Direct Plan Growth Plan | 1,000 | 5,111.235 | - | 302.02 | - |
| | | | | 6,931.32 | 6,191.41 |
| Total Investments - Gross | | | | 13,010.83 | 12,280.62 |
| Total Impairment | | | | - | - |
| Total Investments - Net | | | | 13,010.83 | 12,280.62 |
| Aggregate book value of: | | | | | |
| Quoted investments | | | | 4,727.99 | 4,551.90 |
| Unquoted investments | | | | 7,290.19 | 6,950.66 |
| Aggregate market value of: | | | | | |
| Quoted investments | | | | 4,525.72 | 4,364.52 |
| Unquoted investments (Mutual Fund) | | | | 6,931.32 | 6,191.41 |

Footnote:-

- Investment in Bonds includes accrued interest of INR 219.66 lakhs (March 31, 2023: INR 174.68 lakhs).
- Fixed deposits are pledged against Loan obtained by Digisol Systems Limited.
- Invesco India Ultra Short Term Fund is pledged against Loan obtained by Synegra EMS Limited (March 31, 2023 NIL).
- Bandhan Banking & PSU Debt Fund is pledged against Loan obtained by Digisol Systems Limited (March 31, 2023 NIL).

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 14: INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Raw materials and components | 334.55 | 790.71 |
| Raw materials and components in transit | 39.60 | 256.85 |
| Work-in-progress | 0.33 | 515.73 |
| Finished goods | 0.47 | 172.08 |
| Stock in Trade | 1,845.25 | 1,545.52 |
| Stock in Trade in transit | - | 13.84 |
| Stores, spares and packing materials | 23.89 | 36.18 |
| Total | 2,244.09 | 3,330.91 |
| 1. The Cost of raw materials inventories recognised as expense during the year | 7,179.10 | 5,814.83 |
| 2. Carrying value of Inventories hypothecated as security by the subsidiary companies (Also refer note 17(a)) | 2,220.20 | 3,294.73 |

NOTE 15: OTHER NON FINANCIAL ASSETS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Capital Advances | 48.70 | - |
| Advance to vendor | 94.14 | 112.13 |
| Balance with government authorities | 536.79 | 870.10 |
| Surplus in Gratuity fund (funded) (Refer note 42(vi)) | 5.60 | 12.50 |
| Prepaid expenses | 41.77 | 46.63 |
| Total | 727.00 | 1,041.36 |

NOTE 16: TRADE PAYABLES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer foot note below) | 17.76 | 124.66 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,842.67 | 3,581.33 |
| Total | 3,860.43 | 3,705.99 |

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro enterprises and small enterprises on the basis of information available with the Company.

Note:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Outstanding principal amount and interest as on 31st March. | | |
| - Principal Amount | 17.76 | 124.66 |
| - Interest due thereon | - | - |
| Amount of interest paid along with the amounts of payment made beyond the appointed day | 3.37 | 0.70 |
| Amount of interest due and payable (where the principal has already been paid but interest has not been paid) | 0.06 | 0.09 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.23 | 0.09 |
| 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 | | |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Trade Payables ageing schedule

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|-------------------------|
| (i) MSME | | |
| Unbilled Dues | - | - |
| Payable Not Due | 16.49 | 122.73 |
| Less than 1 year | 1.27 | 1.93 |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total MSME | 17.76 | 124.66 |
| (i) Others (Undisputed) | | |
| Unbilled Dues | 413.63 | 280.38 |
| Payable Not Due | 2,628.20 | 1,986.28 |
| Less than 1 year | 800.84 | 1,311.98 |
| 1-2 years | - | 2.69 |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total OTHERS | 3,842.67 | 3,581.33 |
| Total | 3,860.43 | 3,705.99 |

NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Borrowings measured at Amortised Cost | | |
| Secured | | |
| Bank Overdraft | 1,297.37 | 205.82 |
| Term Loan | 216.00 | 206.98 |
| Loan from Financial Institution | 850.00 | 1,350.08 |
| Unsecured | | |
| Loans from director | 500.00 | 1,263.37 |
| Lease liabilities | 299.25 | 340.41 |
| Total | 3,162.62 | 3,366.66 |
| Borrowings in India | 3,162.62 | 3,366.66 |
| Borrowings outside India | - | - |
| Total | 3,162.62 | 3,366.66 |

Terms and conditions:

Secured Loan:

- Bank Overdraft facility availed from HDFC Bank Limited by Synegra EMS Limited and Digisol Systems Limited is secured by charge ranking pari passu, by way of hypothecation of all existing and future Inventory and trade receivables, Corporate Guarantee from Parent Company of INR 4300 lakhs, and lien on Fixed Deposit of Parent Company of INR 663.08 lakhs (March 31, 2023 INR 660 lakhs).
- During the year Bank Overdraft facility is availed from ICICI Bank Limited by Synegra EMS Limited and by Digisol Systems Limited is secured by charge, by way of hypothecation of Invesco India Ultra Short Term Mutual Fund INR 247.46 lakhs and Bandhan Banking and PSU Debt Mutual Fund INR 423.55 lakhs of Parent Company respectively.
- Term loan of Synegra EMS Limited from SIDBI is secured by a first charge, by way of hypothecation of Plant and Machinery of INR 300 lakhs, lien on fixed deposit of INR 58.55 lakhs (March 31, 2023 INR 55 lakhs) of Synegra EMS Limited and Corporate Guarantee from Parent Company of INR 270 lakhs.

As per the loan sanction letter, the said loan was taken for the purpose of purchase of Plant & Machinery. The Company has used such borrowings for the purposes as stated in the loan sanction letter. "

- Loan of Digisol Systems Limited from Bajaj Finance Limited is secured by way of lien on fixed deposit of INR 1,250 lakhs (March 31, 2023 INR 1500 lakhs) and Corporate Guarantee from Parent Company of INR 2000 lakhs.

As per the loan sanction letter, the said loan was taken for the purpose of working capital. The Company has used such borrowings for the purposes as stated in the loan sanction letter.

Unsecured Loan:

Loan from Director taken for a tenure of 365 days

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 18: OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Deposits | 49.55 | 25.36 |
| Unpaid dividend [#] | 1.84 | 1.84 |
| Interest accrued on delayed payment to MSME (Refer Note 16) | 0.23 | 0.09 |
| Capital creditors | 54.34 | 90.76 |
| Employee Payable | 221.48 | 233.14 |
| Asset Retirement Obligation | 9.30 | 8.58 |
| Interest accrued but not due on loans | 10.46 | - |
| Payable to Telesmart SCS Limited Minority Shareholder (Refer note 37(b)) | - | 41.20 |
| Total | 347.20 | 400.97 |

[#]During the year INR NIL (March 31,2023 INR 1.42 lakhs) was transferred to the Investor Education and Protection Fund.

NOTE 19: PROVISIONS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Provision for gratuity (funded) (Refer note 42(vi)) | 94.90 | 70.77 |
| Provision for leave encashment (unfunded) | 47.47 | 36.86 |
| Provision for Warranty (Refer note 39) | 62.34 | 36.62 |
| Total | 204.71 | 144.25 |

NOTE 20: OTHER NON FINANCIAL LIABILITIES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Statutory dues payable | 30.30 | 33.62 |
| Advances from clients/customers | 20.53 | 154.73 |
| Advance rent received | 36.42 | 6.34 |
| Total | 87.25 | 194.69 |

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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Authorized | | |
| 3,50,00,000 Equity Shares of INR 2/- each | 700.00 | 700.00 |
| | 700.00 | 700.00 |
| Issued, Subscribed and paid up | | |
| 99,75,000 Equity Shares of INR. 2/- each, fully paid-up | 199.50 | 199.50 |
| Total | 199.50 | 199.50 |

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Outstanding at the beginning of the year | 9,975,000 | 9,975,000 |
| Add: Issued during the year / Bonus | - | - |
| Outstanding at the end of the year | 9,975,000 | 9,975,000 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(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, 2024 | | As at March 31, 2023 | |
|-------------------------|----------------------|--------------|----------------------|--------------|
| | No of shares | % of holding | No of shares | % of holding |
| Mr. Kamalaksha R. Naik | 4,945,214 | 49.58% | 4,800,163 | 48.12% |
| Ms. Arati K. Naik | 934,833 | 9.37% | 934,833 | 9.37% |
| Dr. Lakshana A. Sharma | 794,608 | 7.97% | 794,608 | 7.97% |
| Mrs. Sudha K. Naik | 467,417 | 4.69% | 467,417 | 4.69% |

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

| Particulars | No of shares bought - back during the year | No of shares outstanding |
|-------------|--|--------------------------|
| 31.03.2024 | - | 9,975,000 |
| 31.03.2023 | - | 9,975,000 |
| 31.03.2022 | 3,325,000 | 9,975,000 |
| 31.03.2021 | - | 13,300,000 |
| 31.03.2020 | 3,650,000 | 13,300,000 |

(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

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------|----------------------|-------------------|--------------------------|----------------------|-------------------|--------------------------|
| | No. Of Shares | % of total shares | % Change during the year | No. Of Shares | % of total shares | % Change during the year |
| Mr. Kamalaksha R. Naik | 4,945,214 | 49.58% | 3.02% | 4,800,163 | 48.12% | 2.70% |
| Ms. Arati K. Naik | 934,833 | 9.37% | - | 934,833 | 9.37% | - |
| Dr. Lakshana A. Sharma | 794,608 | 7.97% | - | 794,608 | 7.97% | - |
| Mrs. Sudha K. Naik | 467,417 | 4.69% | - | 467,417 | 4.69% | - |
| Mr. Amit Virendra Sharma | 17,891 | 0.18% | - | 17,891 | 0.18% | 100% |
| K R Naik HUF | 100,493 | 1.01% | - | 100,493 | 1.01% | - |
| Total | 7,260,456 | 72.80% | | 7,115,405 | 71.34% | |

NOTE 22: OTHER EQUITY

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| General Reserve | 5,567.20 | 5,567.20 |
| Capital Redemption Reserve | 400.60 | 400.60 |
| Capital Contribution | 92.95 | 92.95 |
| FVTOCI Reserve on financial instruments | - | - |
| FVTOCI Reserve on defined benefit plans | (80.96) | (52.32) |
| Statutory Reserve | 1,318.41 | 1,254.32 |
| Surplus in Statement of Profit and Loss | 11,529.91 | 10,888.05 |
| Total | 18,828.11 | 18,150.80 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(A) General Reserve*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 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, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Opening balance | 400.60 | 400.60 |
| Add / (Less): Change during the year | - | - |
| Closing balance | 400.60 | 400.60 |

*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, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| 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, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening balance | - | 2.27 |
| Net fair value gain/ (loss) on financial instruments | - | (2.27) |
| Closing balance | - | - |

* 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, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening balance | (52.32) | (22.95) |
| Net fair value gain/ (loss) on financial instruments | (28.64) | (29.37) |
| Closing balance | (80.96) | (52.32) |

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

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening balance | 1,254.32 | 899.50 |
| Add / (Less): Transfer from Surplus in Statement of Profit and loss | 64.09 | 354.82 |
| Closing balance | 1,318.41 | 1,254.32 |

*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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(G) Retained Earnings / Surplus in Statement of Profit and loss*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening balance | 10,888.05 | 9,361.00 |
| Add : Net profit / (loss) for the year | 705.95 | 1,923.94 |
| Amount available for appropriations | 11,594.00 | 11,284.94 |
| Less : Appropriations | | |
| Less: Transferred to Statutory Reserve | (64.09) | (354.82) |
| Less: Adjustment on Amalgamation | - | (42.07) |
| Closing balance | 11,529.91 | 10,888.05 |

*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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening balance | - | (4.81) |
| Less: Change in controlling stake of Subsidiary | - | 4.81 |
| Total | - | - |

NOTE 24: INTEREST INCOME

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| On financial assets measured at FVTOCI | | |
| Interest on preference shares | - | 2.53 |
| | - | 2.53 |
| On Financial Assets measured at Amortised Cost | | |
| Interest on deposits with banks | 95.19 | 52.91 |
| Interest on deposits with financial institutions | 113.27 | 38.34 |
| Interest Income on bonds | 360.54 | 349.68 |
| Interest Income on security deposits | 1.47 | 1.32 |
| Total | 570.47 | 444.78 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On financial instruments designated at fair value through profit or loss | 443.01 | 317.78 |
| Total | 443.01 | 317.78 |
| Fair Value changes: | | |
| - Realised | 226.39 | 199.44 |
| - Unrealised | 216.62 | 118.34 |
| Total | 443.01 | 317.78 |

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 26: REVENUE FROM CONTRACTS WITH CUSTOMER

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Sale of goods | 18,601.41 | 14,332.89 |
| Sale of services | 757.60 | 698.07 |
| Royalty Income | - | 141.35 |
| Other Operating Activities | | |
| Process Scrap income | 26.70 | 13.54 |
| Production Linked Incentive Income (refer note 64) | 431.53 | 280.00 |
| SEIS Scrip Duty Income | - | 7.53 |
| Total | 19,817.24 | 15,473.38 |

The Subsidiaries derives its revenue from contract with customers for the transfer of goods and services at a point in time in a manner in which the they transfers the control of goods and services to customers. The Subsidiaries are engaged mainly in the business of manufacture, sale and servicing of networking products.

Contract Balances

| Movement in contract Liabilities during the year | Advance from Customers | |
|--|------------------------|---------------|
| | Currency Year | Previous year |
| Opening Balance | 154.73 | 50.37 |
| Less: Revenue Recognised | 154.73 | 41.32 |
| Add: Amount received | 20.53 | 145.68 |
| Closing Balance | 20.53 | 154.73 |

NOTE 27: OTHER INCOME

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Foreign exchange gain / (loss) (net) | 38.64 | 69.04 |
| Interest on income tax refund | 14.41 | 2.79 |
| Sundry debtors written back | 0.04 | - |
| Sundry balances written back | 0.02 | - |
| Expected Credit Loss on trade receivables for time value of money | 2.74 | - |
| Recovery of trade receivables earlier written off | 0.16 | - |
| Security Deposit written off now received | 0.32 | - |
| Duty Drawback | 12.83 | - |
| Miscellaneous Income | 1.50 | 2.42 |
| Gain on derecognition of RoU assets | - | 2.72 |
| Gain on sale of property, plant and equipment (net) | 4.11 | 51.71 |
| Scrap Income | 1.62 | - |
| Total | 76.39 | 128.68 |

NOTE 28: FINANCE COSTS

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Interest on bank overdraft account | 26.98 | 40.00 |
| Interest on Term Loan | 104.20 | 35.04 |
| Interest on long Term Loan | 19.04 | - |
| Interest on deposits | 1.50 | 1.13 |
| Interest on delayed payments to MSME Vendors | 0.07 | 0.16 |
| Interest on others | 7.30 | 4.43 |
| Interest on loan from directors | 38.40 | 65.71 |
| Interest on lease liabilities | 26.18 | 25.44 |
| Total | 223.67 | 171.91 |

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, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On Financial instruments measured at FVTOCI | | |
| Investment in Preference Shares | - | 0.26 |
| Total | - | 0.26 |

NOTE 30: PURCHASE OF STOCK-IN-TRADE

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---------------------|--------------------------------------|--------------------------------------|
| Networking products | 8,524.54 | 7,899.88 |
| Total | 8,524.54 | 7,899.88 |

NOTE 31: COST OF MATERIAL CONSUMED

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 1,047.56 | 586.70 |
| Add: Purchases | 6,505.69 | 6,275.69 |
| Less: Inventory at the end of the year | (374.15) | (1,047.56) |
| Total | 7,179.10 | 5,814.83 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year | | |
| Finished goods | | |
| - Manufactured | 172.08 | 2.50 |
| - Traded | 1,559.36 | 817.60 |
| Work-in-progress | 515.73 | 0.39 |
| | 2,247.17 | 820.49 |
| Less: Inventories at the end of the year | | |
| Finished goods | | |
| - Manufactured | 0.47 | 172.08 |
| - Traded | 1,845.25 | 1,559.36 |
| Work-in-progress | 0.33 | 515.73 |
| | 1,846.05 | 2,247.17 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 401.12 | (1,426.68) |

NOTE 33: EMPLOYEE BENEFITS EXPENSES

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries and wages | 1,792.44 | 1,499.90 |
| Contribution to provident and other funds (Refer note 42) | 53.04 | 51.09 |
| Staff welfare expenses | 77.69 | 85.84 |
| Gratuity expenses (Refer Note 42) | 22.01 | 16.24 |
| Total | 1,945.18 | 1,653.07 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 34: DEPRECIATION AND AMORTIZATION EXPENSES

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Depreciation on property, plant and equipment (refer note 11) | 320.11 | 269.50 |
| Amortization on Intangible Assets (refer note 12) | - | 3.71 |
| Depreciation on Investment Property (refer note 10) | 26.35 | 25.39 |
| Total | 346.46 | 298.60 |

NOTE 35: OTHER EXPENSES

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Lease Rent and License Fees | 33.24 | 36.77 |
| Repairs and maintenance | | |
| - Machinery | 0.48 | 10.70 |
| - Others | 75.77 | 239.35 |
| Insurance charges | 68.72 | 56.05 |
| Communication Expenses | 19.60 | 18.23 |
| Travel and conveyance expenses | 137.23 | 113.58 |
| Advertisement and publicity Expenses | 157.11 | 201.96 |
| Legal and Professional charges | 298.85 | 355.28 |
| Freight Outward | 148.46 | 121.66 |
| Servicing Expenses | 52.33 | 38.84 |
| Warranty provision movement | 25.72 | 9.30 |
| Consumption of store and spares | 59.71 | 36.47 |
| Power and fuel | 134.48 | 130.78 |
| Director's fees | 28.68 | 40.10 |
| Auditor's fees and Expenses (Refer footnote 1) | 26.80 | 26.94 |
| Rates and taxes | 45.73 | 54.60 |
| Computer consumables, software and maintenance charges | 60.57 | 56.00 |
| Office Expenses | 44.99 | 42.24 |
| Bank charges and commission | 17.66 | 16.84 |
| Application, Registration & Filing Fees | 0.75 | 14.87 |
| Printing and stationery Expenses | 6.52 | 6.09 |
| Bad debts written off | - | 0.22 |
| Sundry Balance written off | - | 4.53 |
| Expected Credit Loss on trade receivables for time value of money | - | 5.82 |
| Expenditure on Corporate Social responsibility (Refer Note 62) | - | 10.67 |
| Production Linked Incentive Income written off | - | 135.77 |
| Miscellaneous Expense | 61.09 | 55.19 |
| Total | 1,504.49 | 1,838.85 |

Footnotes:

1. Payment to Auditors

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Charged to Auditor's fees and expenses | | |
| Statutory audit fees including GST expensed | 23.97 | 25.17 |
| Reimbursement of expenses including GST expensed | 0.34 | 0.40 |
| | 24.31 | 25.57 |
| Other certification fees including GST expensed | 2.49 | 1.37 |
| Total | 26.80 | 26.94 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 36: INCOME TAX

(A) Deferred tax relates to the following:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Deferred tax assets | | |
| On account of timing difference in retiral and other employee benefits | 35.83 | 23.62 |
| on account of fair value of financial assets designated at FVTOCI | 1.71 | 1.71 |
| Provision for doubtful debts / advances | 6.61 | 7.30 |
| On disallowance u/s 40a of Income Tax Act, 1961 | 18.96 | 14.95 |
| On business losses | 431.82 | 519.09 |
| On provision for slow moving stock | 83.38 | 42.72 |
| On VRS Compensation | - | 8.52 |
| Others | 25.54 | 15.60 |
| | 603.85 | 633.51 |
| Deferred tax liabilities | | |
| On property, plant and equipment | 180.11 | 160.36 |
| on account of fair value of financial assets designated at FVTPL | 264.96 | 206.12 |
| | 445.07 | 366.48 |
| Deferred tax liability (Net) | 158.78 | 267.03 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Opening balance as of 1 April | 267.03 | 327.22 |
| Tax assets / (liabilities) recognized in Statement of Profit and Loss | (113.63) | (65.68) |
| Tax assets / (liabilities) recognized in OCI | | |
| - On re-measurements gain/(losses) of post-employment benefit obligations | 5.38 | 5.49 |
| Closing balance as at 31 March | 158.78 | 267.03 |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Tax liability | - | - |
| Tax asset | (113.63) | (65.68) |
| Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss | (113.63) | (65.68) |

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| - Current tax | 51.67 | 334.89 |
| - Adjustments in respect of current income tax of previous year | (1.40) | (49.72) |
| - Deferred tax charge / (income) | 113.63 | 65.68 |
| Income tax expense reported in the statement of profit or loss | 163.90 | 350.85 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Net loss/(gain) on remeasurements of defined benefit plans | (5.38) | (5.49) |
| Income tax expense charged / (credit) to OCI | (5.38) | (5.49) |

(F) Reconciliation of tax charge

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Profit before tax | 869.85 | 2,274.79 |
| Tax Rate | 25.168% | 25.168% |
| Income tax expense at tax rates applicable | 218.92 | 572.52 |
| Tax effects of: | | |
| - Item not deductible for tax | 5.51 | 105.07 |
| - brought forward losses adjustments | (74.85) | (133.52) |
| - CSR expenditure not allowed for tax purpose | - | 1.92 |
| - Leasehold land amortisation not claimed in Income tax | 2.03 | 2.02 |
| - Others | 13.69 | (53.38) |
| Effect of unrecognized deferred tax assets (net) | - | (94.06) |
| Earlier year adjustment | (1.40) | (49.72) |
| Income tax expense | 163.90 | 350.85 |

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

- a) The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of Indian Accounting Standard (IndAS) 21, 'Consolidated Financial Statements' (IndAS) 110, as notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The CFS comprises the financial statements of Smartlink Holdings Limited and its subsidiaries. References in these notes to Smartlink, Company, Companies, Parent Company or Group shall mean to include Smartlink Holdings Limited or any of its subsidiaries, unless otherwise stated. The notes and significant accounting policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies which represent the required disclosure.

The list of subsidiaries included in the consolidated financial statements are as under:

| Name of the Company | Nature of business | % of shareholding |
|-------------------------|--|-------------------|
| Digisol Systems Limited | Developing, manufacturing, selling, marketing and servicing of various categories of Networking and Information Technology (IT) products. | 100% |
| Synegra EMS Limited | Manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business). | 100% |

- b) During the previous year, the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated March 3, 2023 has approved the 'Scheme of Amalgamation ('Scheme')' of a Subsidiary namely Telesmart SCS Limited (Telesmart) (Transferor Company) with another Subsidiary namely Digisol Systems Limited (Transferee Company) with appointed date April 1, 2022. Digisol Systems Limited has filed the certified copy of the said order along with the requisite form with the Registrar of Companies, Goa on May 4, 2023 (effective date).

The effects of the 'Scheme' has been accounted for in previous year in the books of accounts of Digisol Systems Limited in accordance with the Scheme and is in accordance with the Indian Accounting Standards.

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Ordinary equity shareholders | | |
| Profit / (Loss) attributable to ordinary equity holders | 705.95 | 1,923.94 |
| Weighted average number of equity shares in lakhs | 99.75 | 99.75 |
| Face Value per share | 2 | 2 |
| Basic earnings per share (INR) | 7.08 | 19.29 |
| Diluted earnings per share (INR) | 7.08 | 19.29 |

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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| At the beginning of the period | 36.62 | 27.32 |
| Add: Additional provision created | 25.72 | 9.30 |
| Less: Provision written back (net of additions) | - | - |
| As at the end of the period | 62.34 | 36.62 |

NOTE 40: CONTINGENT LIABILITIES

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Bank guarantees given in favour of Electricity Department - Government of Goa | 65.61 | 71.61 |
| Corporate guarantees given in favour of banks on behalf of Digisol Systems Limited (Wholly owned subsidiary) | | |
| HDFC Bank Limited | 3,000.00 | 3,000.00 |
| Bajaj Finance 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 | 1,300.00 |
| Small Industries Development Bank Of India | 270.00 | 270.00 |
| Disputed demands of custom duty INR 13.54 lakhs pending before the Custom Appeals (Amount deposited under protest INR 13.54 lakhs) in connection with classification of Switches and Transceiver. | 13.54 | - |
| Disputed demands of custom duty INR 38.99 lakhs against show cause notice issued by Customs Department in connection with classification of Ethernet Switches. | 38.99 | - |
| Disputed demands of custom duty INR 10.30 lakhs pending before the Customs Appeals (Amount deposited under protest INR 10.30 lakhs) in connection with classification of networking products. | 10.30 | - |
| | 6,698.44 | 6,641.61 |

NOTE 41: CAPITAL AND OTHER COMMITMENTS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account | 166.98 | - |
| Non-cancellation lease liabilities (Refer Note 43) | 708.29 | 719.96 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 42: EMPLOYEE BENEFITS

(A) Defined Contribution Plans

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss :

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund and Pension Fund | 45.99 | 43.64 |
| Employer's contribution to Employee State Insurance | 3.96 | 4.87 |
| Employer's contribution to National Pension Scheme | 2.82 | 2.39 |
| Employer's contribution to Professional Tax | 0.27 | 0.19 |
| Total | 53.04 | 51.09 |

(B) Defined benefit plans

a) Gratuity payable to employees

The Group has a defined benefit gratuity plan and governed by payment of Gratuity Act, 1972. Every employee who has completed five years or more of services is entitled to a gratuity on departure at 15 days of last drawn salary for each completed year of services. The scheme is funded through a policy with LIC.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| i) Actuarial assumptions | | |
| Discount rate (per annum) | | |
| - Smartlink Holdings Limited | 6.97% | 7.20% |
| - Digisol Systems Limited | 6.97% | 7.22% |
| - Synegra EMS Limited | 6.97% | 7.20% |
| Rate of increase in Salary | | |
| - Smartlink Holdings Limited | 6.00% | 6.00% |
| - Digisol Systems Limited | 6.00% | 6.00% |
| - Synegra EMS Limited | 6.00% | 6.00% |
| 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 | 181.31 | 137.85 |
| Interest cost | 12.85 | 9.88 |
| Current service cost | 17.37 | 13.34 |
| Benefits paid | (14.64) | (15.19) |
| Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions | 30.39 | 40.14 |
| Actuarial (gain)/ loss on obligations - Due to experience | 5.14 | (4.71) |
| Present value of obligation at the end of the year | 232.42 | 181.31 |
| iii) Change in the fair value of plan assets: | | |
| Opening fair value of plan assets | 123.04 | 104.99 |
| Expected return on plan assets | 8.21 | 6.98 |
| Contributions by employer | 25.00 | 25.69 |
| Benefits paid | (14.64) | (15.19) |
| Return on plan assets excluding interest income | 1.51 | 0.57 |
| Closing fair value of plan assets | 143.12 | 123.04 |
| iv) Expense recognized in the Statement of Profit and Loss | | |
| Current service cost | 17.37 | 13.34 |
| Interest cost | 4.64 | 2.90 |
| Total expenses recognized in the Statement Profit and Loss* | 22.01 | 16.24 |

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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| v) Expense recognized in Other comprehensive income | | |
| Actuarial (gain) / loss on Obligation for the period | 35.53 | 35.43 |
| Return on plan assets excluding interest income | (1.51) | (0.57) |
| Net actuarial (gains) / losses recognised in OCI | 34.02 | 34.86 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| vi) Assets and liabilities recognized in the Balance Sheet: | | |
| Present value of obligation as at the end of the year | (232.42) | (181.31) |
| Fair Value of Plan Assets at the end of the year | 143.12 | 123.04 |
| Net asset / (liability) recognized in Balance Sheet* | (89.30) | (58.27) |

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

vii) Expected contribution to the fund in the next year INR 24.51 lakhs

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------|-------------------------|---------------------------|-------------------------|---------------------------|
| | Discount rate | Salary escalation rate | Discount rate | Salary escalation rate |
| 1% increase | 207.48 | 256.92 | 161.29 | 200.25 |
| 1% decrease | 257.01 | 207.15 | 200.27 | 160.99 |

ix) Maturity profile of defined benefit obligation

| Year | As at March 31, 2024 | As at March 31, 2023 |
|--------------|-------------------------|-------------------------|
| Year 1 | 1.20 | 2.41 |
| Year 2 | 1.54 | 1.01 |
| Year 3 | 8.35 | 1.23 |
| Year 4 | 6.75 | 16.82 |
| Year 5 | 20.43 | 4.73 |
| Year 6 to 10 | 111.56 | 86.58 |

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.

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024:

| Particulars | Category of ROU Asset | | Total |
|-------------------------------------|-----------------------|--------------|---------------|
| | Land & Buildings | Prepaid Rent | |
| Balance as on April 01, 2022 | 111.27 | 1.30 | 112.57 |
| Additions | 220.21 | 7.59 | 227.80 |
| Depreciation | 46.89 | 1.42 | 48.31 |
| Deletions | 23.17 | 0.81 | 23.98 |
| Balance as on March 31, 2023 | 261.42 | 6.66 | 268.08 |
| Additions | - | - | - |
| Depreciation | 50.14 | 1.18 | 51.32 |
| Deletions | - | - | - |
| Balance as on March 31, 2024 | 211.28 | 5.48 | 216.76 |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the movement in lease liabilities during for the year ended March 31, 2024:

| Particulars | Amount |
|--|---------------|
| Balance as on April 01, 2022 | 183.56 |
| Additions | 220.21 |
| Deletion/Derecognition | (25.86) |
| Finance cost accrued during the period | 25.44 |
| Payment of lease liabilities | (62.94) |
| Balance as on 31 March, 2023 | 340.41 |

| Particulars | Amount |
|--|---------------|
| Balance as on 01 April 2023 | 340.41 |
| Additions | - |
| Deletion/Derecognition | - |
| Finance cost accrued during the period | 26.18 |
| Payment of lease liabilities | (67.33) |
| Balance as on 31 March, 2024 | 299.26 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|----------------------|
| Less than one year | 68.98 | 67.33 |
| One to five years | 173.03 | 230.43 |
| More than five years | 786.20 | 797.75 |
| Total | 1,028.21 | 1,095.51 |

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, 2023 INR NIL)

(B) Operating leases where Group is a lessor:

The Group has entered into cancellable operating leases on its investment property portfolio consisting of certain office and manufacturing buildings. These leases have terms of between 11 months to 60 months. Certain leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The total rental income on assets given on operating leases amounts to INR 87.30 lakhs for the year ended March 31, 2024 (March 31, 2023 INR 69.32 lakhs).

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Within one year | 82.43 | 74.77 |
| After one year but not more than five years | 168.71 | 146.02 |
| More than five years | - | - |

NOTE 44: RELATED PARTY DISCLOSURES:

(A) Names of related parties and description of relationship as identified and certified by the Group:

Enterprise over which key management person is able to exercise significant influence.

Mr. Kamalaksha R. Naik (HUF)

Telebox Industries Corp(Not Applicable w.e.f May 06,2023 post amalgamation)

Key Management Personnel (KMP)

Mr. Kamalaksha R. Naik - Executive Chairman

Mr. Krishnanand M. Gaonkar - Non Executive Independent Director (*retired w.e.f. March 31, 2024*)

Mr. Bhanubhai R. Patel - Non Executive Independent Director

Mr. Pankaj M. Baliga - Non Executive Independent Director (*retired w.e.f. March 31, 2024*)

Mr. Pradeep A. Rane - Non Executive Independent Director

Ms. Arati K. Naik - Executive Director

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

Mr. K. G. Prabhu - Chief Financial Officer

Mrs. Urjita Damle - Company Secretary

Mr. Edlan Fernandes - Company Secretary

Mr. Ray Chang - Director (Telesmart SCS Limited) (*retired w.e.f May 06, 2023 post amalgamation*)

Mr. Satish Godbole - Non Executive Independent Director (*appointed w.e.f. March 31, 2024*)

Dr. Lakshana A. Sharma – Non Executive Non Independent Director (*appointed w.e.f. March 31, 2024*)

Relatives of key management personnel :

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Dr. 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, 2024 | | As at March 31, 2023 | |
|------------------------------|---|--|--|--|
| | 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 | | | | |
| Mr. K. G. Prabhu | | | | |
| Short-term employee benefits | - | 50.28 | - | 56.18 |
| Post-employment benefits | - | 0.22 | - | 0.22 |
| Mrs. Urjita Damle | | | | |
| Short-term employee benefits | - | 17.32 | - | 16.28 |
| Post-employment benefits | - | 0.22 | - | 0.22 |
| Mr. Edlan Fernandes | | | | |
| Short-term employee benefits | - | 7.54 | - | 5.96 |
| Post-employment benefits | - | 0.22 | - | 0.20 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------|---|--|---|--|
| | 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 | - | 7.05 | - | 10.55 |
| Mr. Pankaj M. Baliga | - | 7.05 | - | 8.55 |
| Mr. Pradeep A. Rane | - | 5.00 | - | 5.50 |
| Mr. Bhanubhai R. Patel | - | 6.00 | - | 11.00 |
| Mr. Nitin A. Kuncolienkar | - | 2.00 | - | 1.50 |
| Mr. Ray Chang | - | - | - | 3.50 |
| Rent Expense | | | | |
| Ms. Aarti K. Naik | - | 2.40 | - | 2.40 |
| Interest on Loan | | | | |
| Mr. Kamalaksha R. Naik | - | 38.40 | - | 65.71 |
| Loan repaid | | | | |
| Mr. Kamalaksha R. Naik | - | 750.00 | - | 480.00 |

Balances due from and due to related parties

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Amount due to related party as on: | | |
| Key Management Personnel | | |
| Mr. Kamalaksha R Naik | 500.00 | 1,250.00 |

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.

NOTE 45: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash, bank balances, short-term deposits, other short-term receivables, trade payables 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).

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

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, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|----------------------|
| FINANCIAL ASSETS | | | |
| Financial assets measured at amortized cost | | | |
| Investments in Debt securities | Level 3 | 4,727.99 | 4,551.90 |
| Fixed Deposits | Level 3 | 1,351.52 | 1,537.31 |
| Security Deposits | Level 3 | 29.76 | 28.13 |
| Trade receivables | Level 3 | 5,749.33 | 4,040.51 |
| Financial assets measured at fair value through profit or loss | | | |
| Investments in mutual funds | Level 2 | 6,931.32 | 6,191.41 |
| FINANCIAL LIABILITIES | | | |
| Financial liabilities measured at amortised cost | Level 3 | 49.55 | 25.36 |
| Lease Liabilities | Level 3 | 299.25 | 340.41 |
| Asset retirement obligation | Level 3 | 9.30 | 8.58 |
| Trade Payable | Level 3 | 3,860.43 | 3,705.99 |

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.

(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, 2024 | As at March 31, 2023 |
|-------------------|----------|----------------------|----------------------|
| Trade Receivables | USD | 238.42 | 104.21 |
| Trade Payables | USD | 958.64 | 1,165.81 |

(b) Foreign currency sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease against the US Dollar. 1% is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Impact of 1% strengthening against USD - Decrease in loss | 11.97 | 12.70 |
| Impact of 1% weakening against USD- Increase in loss | 11.97 | 12.70 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

(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, 2024 and March 31, 2023 is the carrying amounts as mentioned in Note 5, 6, 7, 8, and 13.

(C) Liquidity risk

The Group's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Group believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Group has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Group carries a negligible liquidity risk.

NOTE 48: SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker. The Group's chief operating decision maker is the Executive-Chairman.

(A) Segment information for primary reporting (by business segment)

The group has two reportable business segments

(i) Investment : Earning income through dividends, interest, rentals and gains on Investment in securities and properties.

(ii) Networking products : Developing, manufacturing, marketing, distributing and servicing of networking products.

Information about primary segments

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Segment Revenue (net): | | |
| (a) Investment | 1,306.87 | 954.50 |
| (b) Networking Products | 19,817.24 | 15,490.18 |
| Total | 21,124.11 | 16,444.69 |
| Less: Inter-segment Revenue | (206.09) | (139.42) |
| Total Income from Operations (net) | 20,918.02 | 16,305.26 |

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Segment Profit / (Loss) before finance cost, tax and minority interest: | | |
| (a) Investment | 299.66 | 1,854.28 |
| (b) Networking Products | 803.11 | 549.41 |
| Total | 1,102.77 | 2,403.69 |
| Add/ (Less):- Other un-allocable expenditure net-off un-allocable income | (9.25) | 43.01 |
| Operating Profit / (Loss) | 1,093.52 | 2,446.70 |
| Add / (Less): | | |
| (i) Finance Costs (net) | (223.67) | (171.91) |
| (ii) Income Taxes | (163.90) | (350.85) |
| (iii) Share of loss attributable to Minority Interest. | - | - |
| Profit / (Loss) after finance cost, tax and minority interest | 705.95 | 1,923.94 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| Capital Employed | | |
| Segment Assets | | |
| (a) Investment | 15,999.78 | 15,360.68 |
| (b) Networking Products | 10,239.10 | 9,785.67 |
| (c) Un-allocated | 879.59 | 1,382.22 |
| Total Assets | 27,118.47 | 26,528.57 |
| Less: Segment Liabilities | | |
| (a) Investment | 268.75 | 321.05 |
| (b) Networking Products | 7,342.07 | 7,464.31 |
| (c) Un-allocated | 480.04 | 392.91 |
| Total Liabilities | 8,090.86 | 8,178.27 |
| Total Capital Employed | 19,027.61 | 18,350.30 |

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Capital expenditure | | |
| Addition to fixed assets | | |
| (a) Investment | 4.12 | 121.82 |
| (b) Networking Products | 230.13 | 518.06 |
| (c) Un-allocated | - | - |
| Total | 234.25 | 639.88 |
| Depreciation and Amortisation | | |
| (a) Investment | 104.71 | 102.22 |
| (b) Networking Products | 241.75 | 196.38 |
| (c) Un-allocated | - | - |
| Total | 346.46 | 298.60 |
| Material non cash expenditure other than Depreciation and amortisation | | |
| (a) Investment | - | - |
| (b) Networking Products | 19.20 | 6.73 |
| (c) Un-allocated | - | - |
| Total | 19.20 | 6.73 |

(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

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

Information about secondary segments

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Revenue from customer | | |
| - Domestic | 19,597.49 | 15,764.67 |
| - Export | 1,320.53 | 540.59 |
| Total | 20,918.02 | 16,305.26 |
| Segment Assets | | |
| - Domestic | 26,880.05 | 26,424.36 |
| - Export | 238.42 | 104.21 |
| Total | 27,118.47 | 26,528.57 |
| Addition to fixed assets during the year | | |
| - Domestic | 234.25 | 639.88 |
| - Export | - | - |
| Total | 234.25 | 639.88 |

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.

NOTE 50: INTANGIBLE ASSETS UNDER DEVELOPMENT

The Group does not have any Intangible assets under development during the current year and the previous year.

NOTE 51: 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 52: 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 53: WILFUL DEFAULTER

The Group has not been declared a wilful defaulter by any bank or financial Institution.

NOTE 54: 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 55: 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 56: 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 57: 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:
- 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
 - 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:
- 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,

NOTE 58:

The Parent Company is a Non Banking Financial Company classified in Base layer as per the Master direction DOR.FIN.REC.NO. 45/03.10.119/2023-24 dated October 19,2023 Reserve Bank of India (Non-Banking Financial Company Scale Based regulation) Direction, 2023. Thus, the following analytical ratios are not applicable to the Company.

- Capital to risk-weighted assets ratio (CRAR)
- Tier I CRAR
- Tier II CRAR
- Liquidity Coverage Ratio.

NOTE 59: 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 60: 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 61: 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 62:

The provisions of section 135 of Companies Act 2013, was not applicable to the entities of the Group and as such it was not required to spend 2% of average net profits made during the three immediately preceding financial years (March 31, 2023: INR 10.20 lakhs). The entities of the Group has not spent during the current year (March 31, 2023: INR 10.91 lakhs (including excess of earlier year)) towards Corporate Social Responsibility activities:

| A. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----|---|-------------------------|-------------------------|
| | Gross Amount required to be spent as per Section 135 of the Act | - | 10.20 |
| | Add: Amount Unspent from previous years | - | - |
| | Total Gross amount required to be spent during the year | - | 10.20 |
| B. | Amount approved by the Board to be spent during the year | - | 10.90 |
| C. | Amount spent during the year on | | |
| | (i) Construction/acquisition of an asset | - | - |
| | (ii) On purposes other than (i) above | - | 10.67 |

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, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | | |
| - Prime Minister's National Relief Fund | - | 0.25 |
| - Education purpose | - | 10.42 |
| Total | - | 10.67 |

E. Details of excess CSR expenditure

| Nature of Activity | Balance excess as at April 01, 2023 | Amount required to be spent during the year | Amount spent during the year | Balance excess as at March 31, 2024 |
|---|--|---|---------------------------------|--|
| -On purpose other than Construction / acquisition of any asset | (0.71) | - | - | (0.71) |

| Nature of Activity | Balance excess as at April 01, 2022 | Amount required to be spent during the year | Amount spent during the year | Balance excess as at March 31, 2023 |
|---|--|---|---------------------------------|---|
| -On purpose other than Construction / acquisition of any asset | (0.24) | 10.20 | 10.67 | (0.71) |

F. Disclosures on Shortfall

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Amount Required to be spent by the Company | - | 10.20 |
| Actual Amount Spent by the Company during the year | - | 10.67 |
| PY Excess adjusted during the CY | 0.71 | 0.24 |
| Shortfall/(Excess) at the end of the year | (0.71) | (0.71) |
| Total of previous years shortfall | - | - |
| Reason for shortfall - State reasons for shortfall in expenditure | - | - |

NOTE 63:

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) | 31.03.2024 | 100.00 | 19,027.61 | 100.00 | 705.95 | 100.00 | 677.31 |
| | 31.03.2023 | 100.00 | 18,350.30 | 100.00 | 1,923.94 | 100.00 | 1,894.57 |
| Parent | | | | | | | |
| Smartlink Holdings Limited | 31.03.2024 | 107.22 | 20,401.00 | 45.39 | 320.44 | 46.69 | 316.23 |
| | 31.03.2023 | 109.45 | 20,084.77 | 92.21 | 1,774.08 | 93.82 | 1,777.53 |
| Subsidiaries | | | | | | | |
| Digisol Systems Limited | 31.03.2024 | 13.26 | 2,523.22 | 17.62 | 124.37 | 16.63 | 112.61 |
| | 31.03.2023 | 13.14 | 2,410.61 | 23.04 | 443.17 | 22.35 | 423.36 |
| Synegra EMS Limited | 31.03.2024 | 7.58 | 1,443.16 | 41.94 | 296.06 | 41.84 | 283.39 |
| | 31.03.2023 | 6.32 | 1,159.77 | (3.89) | (74.76) | (4.63) | (87.76) |
| Elimination and Adjustment due to Consolidation | 31.03.2024 | (28.06) | (5,339.77) | (4.95) | (34.92) | (5.16) | (34.92) |
| | 31.03.2023 | (28.91) | (5,304.85) | (11.36) | (218.55) | (11.54) | (218.56) |
| Total | 31.03.2024 | 100.00 | 19,027.61 | 100.00 | 705.95 | 100.00 | 677.31 |
| | 31.03.2023 | 100.00 | 18,350.30 | 100.00 | 1,923.94 | 100.00 | 1,894.57 |

Notes forming part of the consolidated financial statements

(Amount in INR lakhs, unless otherwise stated)

NOTE 64:

Synegra EMS Limited (Synegra), subsidiary Company had received approval under the Production Linked Incentive (PLI) to promote Telecom and Networking Products manufacture in India (the PLI scheme) on October 14, 2021 from the Competent Authority. Under the PLI scheme Synegra had recognised an income of Rs. 135.77 lakhs in the financial year ended March 31, 2022 on fulfilment of the conditions for eligibility of incentive under the PLI scheme.

During the previous year, on October 31, 2022 Synegra had received approval under the extended PLI scheme and the Board of Directors of Synegra at their meeting held on November 2, 2022 had approved the exit from the erstwhile PLI scheme and opting for the extended PLI scheme. Consequently, Synegra had derecognised the said incentive of Rs. 135.77 lakhs and charged the amount to other expenses in the quarter ended September 30, 2022.

Further on fulfilment of the conditions for eligibility of incentive under the extended PLI scheme, the Company has recognised incentive for the year ended March 31, 2024 INR 431.53 lakhs (March 31, 2023 INR 280 lakhs).

NOTE 65:

As at March 31, 2024, the Group did not have any outstanding long term derivative contracts (previous year INR NIL)

NOTE 66:

There were no whistleblower complaints received during the financial year 2023-24.

NOTE 67:

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.

The Company uses an accounting software and a payroll application for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software and the payroll application, except that the audit trail feature is not enabled at the database level for the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software and payroll application. The same has been enabled from April 2024.

NOTE 68:

The Board of Directors of the Parent Company at their meeting on February 09, 2024 has considered and approved the Scheme of Amalgamation (pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013) of Synegra EMS Limited, subsidiary company with the Company, subject to the requisite statutory and regulatory approvals. The appointed date for the Scheme shall be April 01, 2024. The Company has filed the Scheme with the National Company Law Tribunal, Mumbai on April 30, 2024.

NOTE 69: EVENT AFTER REPORTING DATE:

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

Ghaziabad, dated: May 09, 2024

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. G. Prabhu

Chief Financial Officer

Mumbai, dated: May 09, 2024

Arati Naik

Executive Director

DIN: 06965985

Urjita Damle

Company Secretary

ICSI Membership No: 24654



Smartlink Holdings Ltd.

Registered Office:

L-7, Verna Industrial Estate, Verna, Salcete, GA, 403722, IN
Land Phone : +91 832 2885400 | Fax : +91 832 2783395

Corporate Office :

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

www.smartlinkholdings.com

SMARTLINK HOLDINGS LIMITED

CIN: L67100GA1993PLC001341

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

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 31st (Thirty-first) Annual General Meeting of Smartlink Holdings Limited will be held on Saturday, August 10, 2024 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, 2024, 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.

SPECIAL BUSINESS:

3. Re-appointment of Mr. K. R. Naik (DIN 00002013) as Executive Chairman of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT, in accordance with the provisions of section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), including any statutory modification(s) or re-enactment thereof, for the time being in force, approval and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, approval of the members be and is hereby accorded for re-appointment of Mr. K. R. Naik (DIN 00002013) as an Executive Chairman (Wholtime Director) of the Company for a further period of five years with effect from December 26, 2024 on terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financials year during the aforesaid period, subject to the requirements of schedule V to the Companies Act, 2013) as enumerated herein below:

- Consolidated Remuneration: INR 7,81,250 per month of which 50% will be fixed pay. Variable Pay/Performance Bonus shall be 50% of the consolidated remuneration and shall be decided by the Board/Nomination and Remuneration Committee.
- Other benefits: as applicable to Senior Executives of the Company.
- Termination: By giving the other party, two months' notice.
- He shall be liable to retire by rotation.
- Total remuneration as above shall be subject to Schedule V of the Act.
- The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may in its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Act or any amendments made thereto from time to time. Provided that the remuneration payable by way of consolidated salary and other benefits does not exceed the limits laid down in Section 197 and Schedule V of the Act, including any statutory modifications or re-enactments thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company and/ or any Committee thereof be and is hereby authorised to alter or vary any or all of the terms, conditions and/ or to increase the remuneration of Mr. K. R. Naik as approved subject to the limits specified in Schedule V of the Act, without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT pursuant to section 196(3)(a) of the Act, the consent of members of the Company be and is hereby accorded for re-appointing Mr. K. R. Naik (DIN 00002013) as an Executive Chairman of the Company who has attained 70 years of age.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company."

By order of the Board
For Smartlink Holdings Limited

Place : Mumbai
Dated : May 09, 2024
Regd. Office: L-7, Verna Industrial Estate,
Verna, Salcete Goa - 403722

Urjita Damle
Company Secretary
Membership No. ACS 24654

NOTES:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 3 of this Notice is annexed hereto.

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

- 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.

4. The Company's Registrar & Share Transfer Agents (RTA) are:
Kfin Technologies Limited
(formerly known as Kfin Technologies Private 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
5. Shareholders are requested to notify any change of address:
 - i. to their Depository Participants (DPs) in respect of the shares held in Demat form, and
 - ii. to the Company to its Legal Department at the Registered Office at Verna, Goa in respect of the shares held in physical form.
 - iii. In case the mailing address mentioned on this Annual Report is without the PIN CODE, inform your DP or the Company, as mentioned above.
6. In view of the relaxations given by Ministry of Corporate Affairs ("MCA") vide General Circular No. 09/2023 dated September 25, 2023 read with MCA General Circular Nos. 10/2022, 02/2022, 20/2020, 17/2020 & 14/2020 dated December 28, 2022, May 05, 2022, May 05, 2020, April 13, 2020 and April 08, 2020 respectively (collectively referred to as MCA Circulars) and Circular SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, the Annual Report including Financial Statements, Auditor's Report, Board Report, Notice of AGM, along with all the annexures and attachments thereof is being sent through email to those Members whose email addresses are registered with the Company /Depositories and no physical copy of the same will be sent by the Company. Members may note that the Notice and Annual Report of the Company for the financial year 2023-24 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 the LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2022/8 dated January 25, 2022, has w.e.f. January 24, 2022 mandated listed companies to issue securities in dematerialised form while processing service request for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition, etc..

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

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

Members holding shares in demat form are requested to submit/update their KYC details with their respective Depository Participant.
8. The Register of members and share Transfer Books of the Company shall remain closed from Friday, July 26, 2024 to Thursday, August 01, 2024 (both days inclusive) for the purpose of AGM.
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 March 31, 2024 on the website of the Company at 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. The Company has designated Company.Secretary@smartlinkholdings.com e-mail id for quick Redressal of shareholders/investors grievances.
15. 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.
16. 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.
17. All the Members wishing to ask questions during the 31st Annual General Meeting should forward them to the registered office, 7 days before the date of Annual General Meeting.
18. In Compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the LODR Regulations, 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.

19. 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.
20. 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).
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorized by him in writing will declare the results of voting forthwith.
22. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at 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

In terms of SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 on "e-voting facility provided by Listed Entities", Individual Shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts/ websites of Depositories and Depository Participants (DPs), in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Shareholders are advised to update their mobile number and e-mail address with their DPs to access e-voting facility.

The procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

| | |
|--|--|
| <p><u>Individual Shareholders holding securities in demat mode with NSDL</u></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 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><u>Individual Shareholders holding securities in demat mode with CDSL</u></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/myeasitoken/home/login or www.cdslindia.com b) Click on Myeasi New (Token) 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/myeasitoken/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: https://evoting.cdslindia.com/Evoting/EvotingLogin 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><u>Individual Shareholder login through their demat accounts / Website of Depository Participant</u></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 |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request to evoting@nsdl.com or call at 022-4886 7000 and 022 – 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact the CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contacting at toll free no. 1800 22 55 33 |

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: evoting@kfintech.com
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), 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.

Pursuant to Clause 16.5.3(e) of Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in case a Member abstains from voting on a Resolution i.e., the Member neither assents nor dissents to the Resolution, then his/her/its vote will be treated as an invalid vote with respect to that Resolution.
 - 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 cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id cs.sbhat@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVEN No.". The document should reach the Scrutinizer and such other person on or before Friday, August 09, 2024 at 5:00 PM. IST
- Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
 - Shareholders holding shares in physical mode are hereby notified that based on SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile numbers. Moreover, to avail of online services, the security holders can register e-mail ID. The holder can register/update the contact details by submitting the requisite ISR 1 form along with the supporting documents. ISR Form(s) and the supporting documents can be provided by any one of the following modes.
 - Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain a copy(ies) with IPV stamping with date and initials; or
 - Through hard copies which are self-attested, which can be shared at the address below or;
KFIN Technologies Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.
 - Through electronic mode with e-sign by following the link: <https://kprism.kfintech.com/>. Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>;
 - For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is held.
 - After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

GENERAL INSTRUCTIONS ON REMOTE E-VOTING

1. The remote e-voting period commences on Wednesday, August 07, 2024 at 09:00 a.m. IST and ends on Friday, August 09, 2024 at 5:00 p.m. IST. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Friday, August 02, 2024 may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll at the AGM.
2. The voting rights of the Members shall be in proportion to their shareholding in paid up equity share capital of the Company, subject to the provisions of the section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being Friday, August 02, 2024.
3. 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.
4. 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.
5. 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.
6. 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, August 02, 2024 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. 040-67162222, at [Unit: Smartlink Holdings Limited] KFin Technologies Limited, Kfintech Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, members are requested to refer to the instructions provided under "Procedure for E-Voting" section of this Notice to cast the vote.
7. 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. 040-67162222 at [Unit: Smartlink Holdings Limited] KFin Technologies Limited, Kfintech Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.

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

Item No. 3

Mr. K. R. Naik was re-appointed as Executive Chairman (Wholetime Director) of the Company w.e.f. December 26, 2019 for a period of 5 years and his term is due to expire on December 25, 2024. The Board of Directors upon the recommendation of the Nomination and Remuneration Committee at its meeting held on May 09, 2024 and subject to the approval of the members of the Company, re-appointed Mr. K. R. Naik as an Executive Chairman (Wholetime Director) of the Company for a further period of 5 years upto December 25, 2029.

Pursuant to provisions of section 196, 197, 198, 203 of the Companies Act, 2013 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, for the time being in force, the Board recommends the reappointment of Mr. K. R. Naik, as the Executive Chairman (Wholetime Director), to the Members for their approval.

Members may please note that as per Section 196(3) of the Companies Act 2013 read with conditions specified in Part 1 of Schedule V to the Act, appointment of a Wholetime director, who has attained the age of 70 years, is required to be made by way of a Special Resolution only.

Since Mr. Naik has attained the age of 70 years, the Board of Directors propose the Resolution at Item No. 3 to the Notice, related to his appointment as Executive Chairman (Wholetime Director), to be passed as a Special Resolution.

Mr. K. R. Naik is the founder of Smartlink Holdings Limited. He joined the Company as the Director on March 31, 1993. He has over four decades of experience in the networking industry. He holds a Post Graduate Degree in Industrial Engg. from Jhunjunwala College, Mumbai and a Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He has over four decades of experience in the networking industry. His vision is to make the group a leading player in the digitally connected world. It would thus be in the interest of the Company that he continues in his capacity as Executive Chairman.

Mr. Naik does not hold Directorship in any other Public Limited Company except in the subsidiaries Digisol Systems Limited and Synegra EMS Limited.

Except Mr. K. R. Naik, being the appointee, and Ms. Arati Naik and Dr. Lakshana Sharma being the daughters of Mr. Naik, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 3.

**Details of Director seeking appointment/reappointment at the Thirty-First Annual General Meeting
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India)**

| Name of Director | Mr. Kamalaksha Naik | Ms. Arati Naik |
|---|---|--|
| Director Identification Number (DIN) | 00002013 | 06965985 |
| Designation/ category of Director | Wholetime Director | Executive Director |
| Date of Birth | 19/11/1947 | 14/08/1984 |
| Date of first appointment on the Board | 31/03/1993 | 09/09/2014 |
| Brief Resume | <p>Mr. K. R. Naik is the founder of Smartlink Holdings Limited. He joined the Company as the Director on 31st March 1993. His vision is to be a leading player in the Digitally connected world, by offering a complete value proposition from product design to customer delight. He has over four decades of experience in the networking industry.</p> <p>He holds a Post Graduate Degree in Industrial Engg. from Jhunjunwala College, Mumbai and a Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India and worked in the design and development of parts and products in IBM.</p> | <p>Arati Naik is an Executive Director of the Company. She is Graduate in Computer Science and Post-Graduation in Business & Information Systems from The University of Bolton, UK and alumni of IIM Bangalore, having done an executive general management program.</p> |
| Terms and conditions of appointment/re-appointment | Re-appointment as Executive Chairman (Wholetime Director) for a term of 5 years w.e.f December 26, 2024. | Liable to retire by rotation. |
| Details of Remuneration sought to be paid | As disclosed in Item No. 3. | As approved by the members at the 28th Annual General Meeting held on September 30, 2021. |
| Remuneration last drawn | Nil | Nil |
| Disclosure of relationship between Director inter-se | Related to Ms. Arati Naik, Executive Director and Dr. Lakshana Sharma, Non-Executive, Non-Independent Director of the Company. | Daughter of Mr. K. R. Naik, Executive Chairman and sister of Dr. Lakshana Sharma, Non-Executive, Non-Independent Director of the Company. |
| Names of the Public entities in which she/he holds directorships | 1. Digisol Systems Limited 2. Synegra EMS Limited | 1. Digisol Systems Limited |
| Chairman/Member of the Committee(s) of Board of Directors of other Public Entities | None | None |
| Shareholding in the Company (No. of shares) | 49,45,214 Equity Shares | 9,34,833 Equity Shares |
| No. of Board Meetings attended | 4 | 4 |

By order of the Board

Place : Mumbai
Date : May 09, 2024
Regd. Add: L-7, Verna Industrial Estate, Verna,
Salcete, Goa – 403722

Urjita Damle
Company Secretary
Membership No. ACS 24654

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 31st Annual General Meeting of the Company on Saturday, 10th day of August, 2024 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 31st Annual General Meeting of the Company, to be held on Saturday, August 10, 2024 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 March 31, 2024, together with the Report of the Board of Directors and Auditors thereon. | | | |
| 2. | To appoint a Director in place of Ms. Arati Kamalaksha Naik (DIN 06965985) who retires by rotation and being eligible, offers herself for re-appointment. | | | |
| SPECIAL BUSINESS | | | | |
| 3. | To re-appoint Mr. K. R Naik (DIN 00002013) as Executive Chairman (Wholetime Director) for a further period of 5 years | | | |

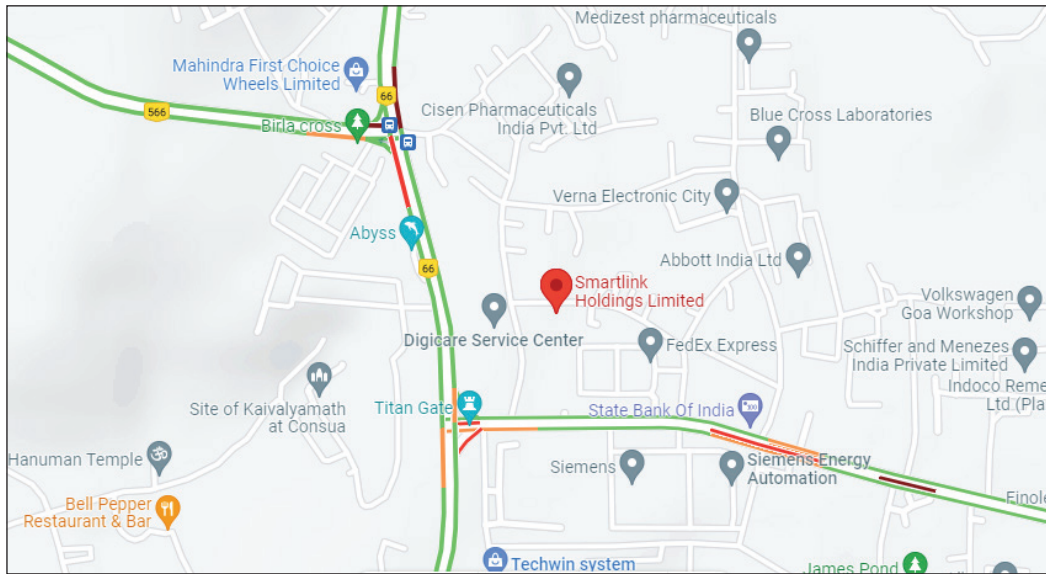
Signed this _____ day of _____, 2024 Signature of shareholder _____

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 31st 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.