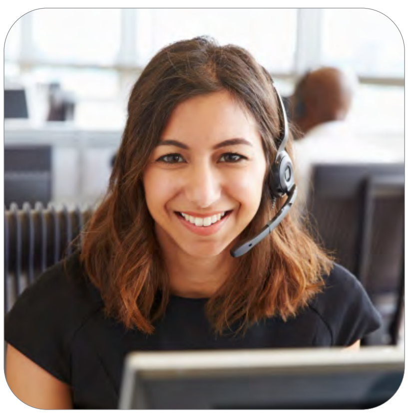
smartlink HOLDINGS



2020 ANNUAL REPORT

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

DIGISOL® SYNEGRA® TELESMART®

Group Vision

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

Group Mission

- To facilitate the individual businesses to grow through our best in class products and service offerings.
- To encompass technological foresight with focused leadership.
- To create a trustworthy environment by keeping transparency with internal and external stakeholders.

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Chairman's Message

K. R. Naik
Executive Chairman

Dear Shareholders,

It is my privilege to present to you the annual report for the year ended 31st March 2020. You are aware that SMARTLINK HOLDINGS LTD. is an Investment company primarily having land and building and cash, as three years back we formed three independent companies by splitting its existing operations and investing ₹4,838 lakhs in subsidiaries.

DIGISOL SYSTEMS LTD. is a Brand Product sales and marketing company. It has introduced the DIGISOL brand "Covergex" to concentrate in the Enterprise products business. In the Active Products segment, we are now focused on FTTH products, and would be concentrating even further in future by manufacturing them in SYNEGRA EMS LTD.

"I believe we are well positioned based on our ability to create customer loyalty by delivering value to our customers. Our decades of experience, a proven track record of delivery excellence and satisfied customers and our deep understanding of the Indian market should give us an edge."

SYNEGRA EMS LTD. is an independent company and has entered into the manufacture of various products for customers in the Electric vehicle battery segment as well as newer technology Audio products. SYNEGRA is looking for more manufacturing opportunities in local electronic industry products in addition to the regular IT products. The Company is expected to derive significant benefit from the various incentives being introduced by Government of India under its MAKE IN INDIA and VOCAL FOR LOCAL programmes. SYNEGRA is also keeping a close eye on the various new opportunities in manufacturing likely to come up in the new technology space like FTTH products and 5G products.

TELESMART SCS LTD. which started manufacturing Structured Cabling Products in Copper and Fiber for DIGISOL SYSTEMS, is now manufacturing these products for other Brand companies in India and looking at exporting to other countries.

The Company completed one more buy-back during the year under review thereby rewarding the shareholders. The total outflow on account of the buy-back was ₹4,745 lakhs. The total cash and cash equivalents in the books stood at ₹16,234.13 lakhs for the year ended 31st March, 2020 as compared to ₹23,073.46 lakhs for the year ended 31st March, 2019.

The Total Income on standalone basis for the year stood at ₹1,519.71 lakhs as against ₹2,075.08 lakhs in the previous year. The company, in line with prudent accounting norms has made necessary provision for diminution in value of its investments. This resulted in a loss of ₹1,343.48 lakhs for the year as compared to ₹2,830.70 lakhs in the previous year. On a consolidated basis, the Total Income for the year declined to ₹7,570.23 lakhs from ₹10,805.69 lakhs in the previous year, and the loss for the year stood at ₹1,471.61 lakhs as compared to ₹294.54 lakhs in the previous year.

The subsidiaries are now keenly looking at the opportunities and the manufacturing schemes offered by Government which is actively promoting its 'Make in India' initiative. I am sure that all the three companies being independent would be able to seek the right opportunities or find the right strategic partners so that SMARTLINK can offer its assets like its manufacturing facilities and cash for growth.

I am thankful to our clients, partners, and other stakeholders who have reposed their trust and confidence in me and SMARTLINK. We are committed to fully support all the three independent units as they gear up for growth and turn profitable. We will continuously strive to build a better tomorrow for all our stakeholders.

Thanking you,

Yours sincerely,

K. R. Naik
Executive Chairman

Business Overview

THE BUSINESS OF OUR SUBSIDIARIES

Smartlink Holdings Ltd. (formerly known as Smartlink Network Systems Ltd.) was in the Networking Products line business for more than three decades and involved in sourcing, manufacturing, sales, marketing & support, etc. The Company restructured its operations by splitting its operations in three independent subsidiaries, viz. Digisol Systems Ltd., Synegra EMS Ltd. and Telesmart SCS Ltd. to grow businesses independently by using its expertise of 3 decades.

Now, Smartlink Holdings Ltd. is an NBFC with assets & cash with investments which includes investment in the three subsidiary companies.

The three subsidiaries are engaged in businesses as follows:

1. Digisol Systems Ltd. is in Networking Products line Business in Active & Passive range of Products with Sales, Marketing, Service & Support all over India under "DIGISOL" Brand which is well known last 10 years.
2. Synegra EMS Ltd. is an IT and Electronic Products manufacturing EMS Company sourcing various types of electronic components and parts from India and world wide. It has more than 3 decades of experience in Active Networking Products line manufacturing. Its facilities include SMT lines, Soldering lines, Assembly and Testing lines with various Test Equipments at Verna Industrial Estate, Goa.
3. Telesmart SCS Ltd. is a Original Design and Manufacturing (ODM) Copper and Fiber Products, Networking Products Manufacturing Company having Association with one of the leading company in Taiwan in similar products line having more than two decades of experience and having its own patented products. It manufactures a wide range of Passive Networking Products in copper and fiber and has facilities that include Assembly and Testing lines with lot of Testing Machines at Verna Industrial Estate, Goa. It has an engineering team for design and development of Copper and Fiber Products along with a component sourcing team.

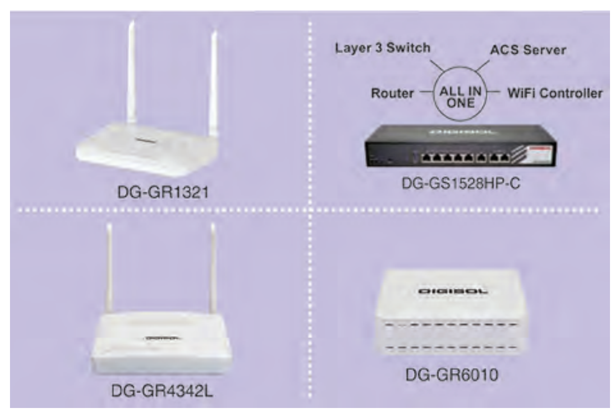
DIGISOL SYSTEMS LTD.

The IT networking industry grows by leaps and bounds every year however, the one thing that stays comparatively constant is the brand. Due to the technology industry's accelerated evolution, brands take on increased importance by providing an effective counterbalance to what buyers perceive as constant change, clutter and confusion.

While we strive to push the boundaries with our marketing activities, we accord great importance to brand building which will ensure our long-term success. Our main focus has been to position DIGISOL as a leading 'Made in India' Networking Products brand that offers products of global standards, credibility and delivers a fantastic user experience.

Active Networking Products

Digisol offers a wide range of Active Networking products and its portfolio encompasses many kinds of connectivity products using Copper or Fiber or wireless as media and across the IT networking spectrum. DIGISOL products incorporate world class quality and are backed by Synegra's and Telesmart's own manufacturing facility and a nationwide distribution network. They have call-based technical support backed by a strong in-house service team.



The company consistently works on introducing next gen wireless routers, networking switches and enterprise wireless products, full range of FTTH Products based on the changing needs of the market. These also include products manufactured by the Group's products manufacturing arm Synegra EMS.

Fiber holds immense opportunities and ensures future consistency with faster data speeds over limitless distances. Accordingly, in the year 2019-2020, Digisol launched a series of Next Gen FTTH active networking products which includes GEPON, GPON, ONU, OLTs, Splitters, ODF, and Fibre Distribution Box.

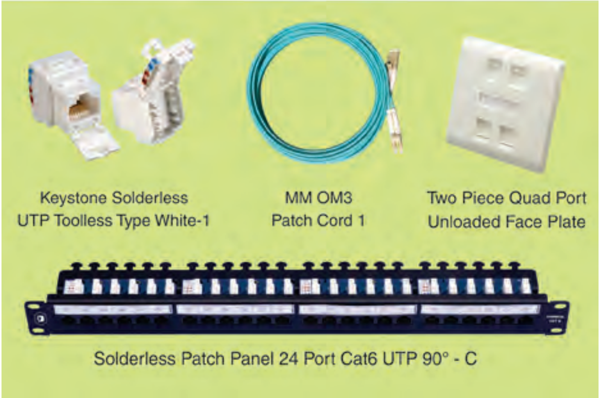
DIGISOL's newly launched End to End FTTH solution provides high speed Internet, triple play service, Wi-Fi, voice and video services for home-connected users. Our technology and expertise ensure that consumers get wider bandwidth, faster data speed, and better connectivity.

Digisol Enterprise SCS – "ConvergeX" DIGISOL range

Technology is constantly changing and so are business needs. With large connectivity sites coming up like SMART CITY with high speed and high quality products a new range is introduced in Enterprise "ConvergeX DIGISOL with POE connectivity, the contacts are with 50 microns Gold Plating, solder-less contacts joints to avoid rusting on long term use. The name Digisol ConvergeX refers to the term 'Converge' that stands for a single network that unifies and carries a combination of data, voice and video traffic, while X stands for the Xtreme speed. ConvergeX enterprise structured cabling series aims to enhance the way enterprises works and unlocks opportunities for the future.

Digisol Channel SCS range

The range of DIGISOL Passive Networking products includes Copper, Fiber and FTTH solutions. All DIGISOL SCS Products adhere to EIA/TIA, ISO/IEC and UL international standards. RoHS compliant products are backed by 25 years international product warranty 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. 100% of its products are manufactured in India by Telesmart SCS Ltd and Cables are sourced from Cable vendors manufactured as per our standard and certified by U/L.

Brand Building: The key to DIGISOL's success

Brand building has always been accorded top priority at Digisol. While it is important to provide finest quality products of the latest technology, the manner in which the consumer perceives the brand is equally important, especially from the long-term perspective.

Digisol will continue to invest in educating the channel community, system integrators and large base of Electrician / Installers who interact with the end consumers and play a strong role in building the brand. The company introduced DITT- Digisol Institution of Technical Training program that focus on educating Partners and System Integrators community about forthcoming technologies in IT Networking Industry. In FY 19-20 we trained almost 900+ partners and introduced multiple training modules under DITT to build thought leadership.

Digisol believes in encouraging stakeholders by introducing various promotion schemes and loyalty programs. To gain shares in electrician and contractors market, the company introduced Digisol Cash Karo loyalty program through a Digisol Cash Karo App that aims to build relationship with electricians and empower them by giving opportunity to win reward points on purchasing Digisol Structured cabling products and redeem these points into cash rewards. In short time Digisol Cash Karo App reached 1 lakh+ App Downloaded and still counting, it is helping Digisol to maximize our channel market Company's brand building efforts include participation in the leading industry events, trade shows and expos and in-shop branding. In addition to traditional advertising in India, Digisol is more active on Digital space with having engaging website www.digisol.com and has presence on important social media platforms like Facebook, Linkedin, Instagram and Twitter with strong content marketing.

Our unique distribution system comprises of exclusive regional distributors to address the Channel and Enterprise segments. This ensures extensive reach and easy availability of all our products and solutions throughout the country.

DIGISOL has a strong nationwide presence

DIGISOL's Unique Distribution Setup

DIGISOL AWARDS AND RECOGNITIONS

The DIGISOL brand received several notable awards during the year:

- 'Most Innovative Networking Solutions for Enterprise' Digital Terminal Awards, 2019.

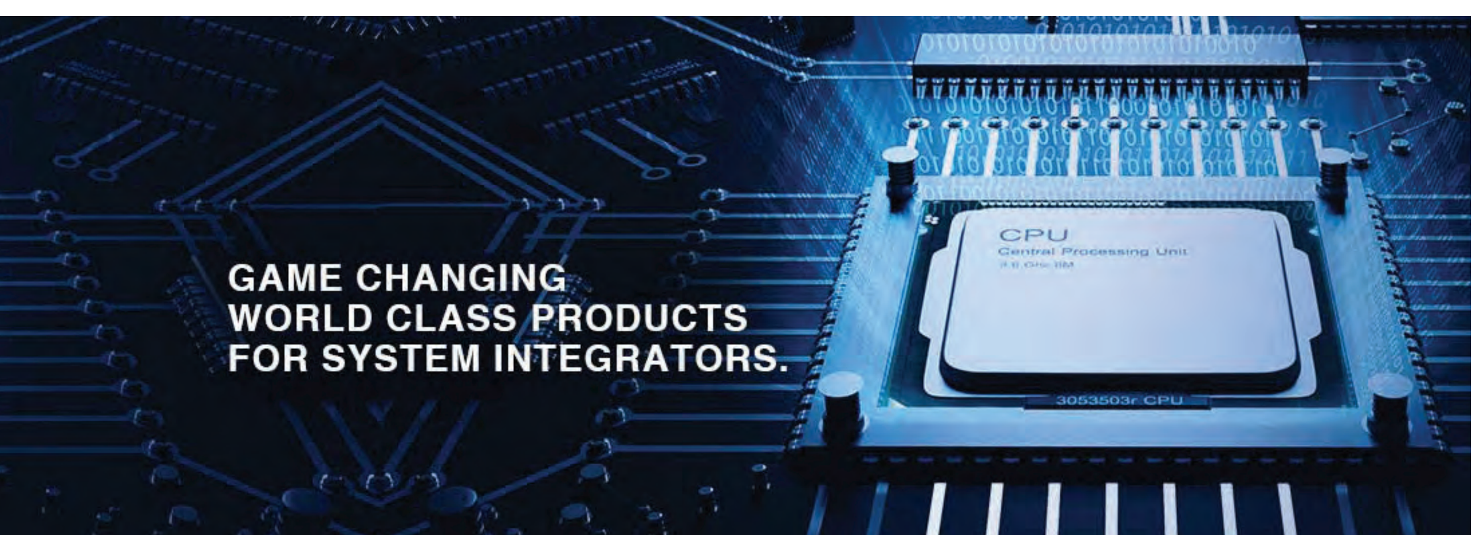
SYNEGRA EMS LTD.

Synegra EMS Ltd is Electronics Manufacturing Services (EMS) Company. SYNEGRA being a service Company with 3 decades of experience in manufacturing Varies types of Products. Its certified facilities at Goa includes SMT lines, Soldering lines, Assembly Testing Lines and highly skilled team for electronics manufacturing including components sourcing.

The Company has been manufacturing products like Computer Motherboards, Add on Cards, Networking & Telecommunication Products, Medical devices etc. for over three decades. It has also widened the focus into Automotive and Defence segment products, EVA Products and is anticipating high growth with its manufacturing capacity for both export and domestic markets under Make in India initiative of Government of India.

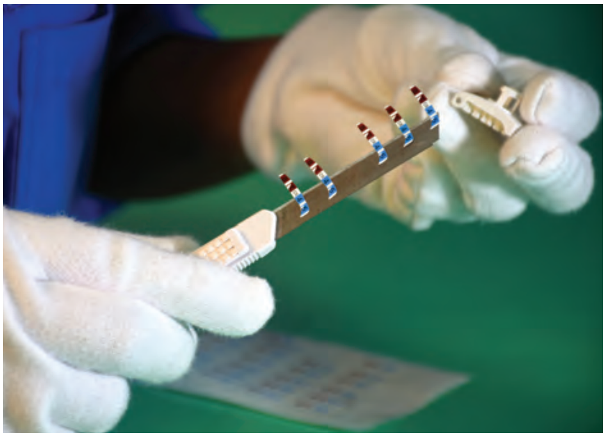
Synegra Manufacturing Facility Highlights

- ISO 9001:2008 and ISO 14001:2004 certified plants with highly versatile SMT lines
- Production shop floor area of 27,000 sq. ft.
- World-class manufacturing setup with dust-proof and humidity-controlled environment
- SMT setup with unique integration
- The latest technology in equipment such as ICT, BGA rework machines, X-ray machine, Wi-Fi tester
- Process capability of manufacturing RoHS - certified products
- BAR code shop floor control system for flawless process engineering
- Highly skilled and well-trained personnel to consistently deliver



TELESMART SCS LTD.

Telesmart SCS Ltd. is a subsidiary of Smartlink Holdings Ltd. and is engaged in the business of manufacturing a wide range of Passive networking (SCS) products. The Company has expertise in manufacturing various types of structured cabling products in both copper and fiber range as ODM supplier Brand Companies including DIGISOL.



Telesmart's cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), Patch Panels, Patch Cords. The fiber range includes fiber patch cords and pigtails, etc. The Company has state-of-the-art production lines for copper and fiber products manufacturing designed as per lean concept. It has also set up a Clean Room for Fiber Patch cord manufacturing, where Fiber Cords are manufactured under controlled temperature and clean environment.

Board of Directors

K. R. Naik, Executive Chairman

Mr. K. R. Naik is the founder of Smartlink Holdings Ltd. (formerly known as Smartlink Network Systems Limited). He joined the Company as the Director on 31^{st} 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. He 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, Executive Director

Arati Naik is an Executive Director of Smartlink. 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.

K. M. Gaonkar

Mr. K. M. Gaonkar possesses a Masters Degree in Science from UDC Mumbai and has 31 years of experience in the petrochemical and fibre industry. He started his career with Colour Chem Ltd as a research chemist, where he worked for a period of 7 years before shifting to Reliance Industries Ltd. He worked for 23 years in various positions in Reliance Industries, with the last six years as a Vice President in their Fibres Marketing Division.

Pradeep Rane

Mr. Pradeep Rane is a science graduate and has over 34 years of experience in Sales, Marketing, Strategic Planning and overall Business Management with the Pharmaceutical industry.

Pankaj Baliga

Mr. Pankaj Baliga, has a Bachelor's Degree in Engineering, NIT, Durgapur, a Master's Degree in Business Administration from IIM Ahmedabad and is a SPURS Fellow, Massachusettes Institute of Technology, U.S.A. He has more than 42 years of experience in management, including 35 years with the Tata Group with the last 14 years at Tata Consultancy Services Ltd (TCS).

Bhanubhai Patel

Mr. Bhanubhai Patel holds a Bachelors Degree in Commerce and General Law and is a Member of the Institute of Chartered Accountants of India. He has more than 33 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 23 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 Managing Director.

Pradeep Pande

Mr. Pradeep Pande possesses Bachelors degree in Science and Legislative Law (LLB), Master degree in Labour Studies - Human Resources Management and has done Diploma in Training & Development. He has vast experience in Human Resource Management having worked with Hindustan Unilever, Aventis Pharma, Lupin Limited, Ispat Industries, Roche Products, Binani Industries Limited, Alkem Laboratories and RAK Ceramic.

Directors' Report

TO
THE MEMBERS,

The Directors of your Company take pleasure in presenting their 27th annual report along with the audited financial statements for the financial year ended 31st March, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS

(₹in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue	1,515.81	2,071.58	7,515.88	10,645.03
Other income	3.90	3.49	54.35	160.66
(Loss) / Profit before depreciation, exceptional items and tax	**(796.85)**	**(2,394.73)**	**(750.38)**	**284.58**
Less: Depreciation for the year	142.85	122.79	301.70	265.13
Less: Exceptional Item	424.78	-	424.78	-
(Loss) / Profit before tax	**(1,364.48)**	**(2,517.52)**	**(1,476.86)**	**19.45**
Less: Provision for tax				
a) Current tax	173.38	321.10	173.38	321.10
b) Deferred tax	(141.43)	(8.23)	(141.42)	(9.61)
c) Adjustment of Income Tax of earlier year	(82.26)	2.84	(82.26)	2.88
Add/Less: Other Comprehensive Income	29.31	(2.53)	45.05	(0.37)
Loss After Tax	**(1,343.48)**	**(2,830.70)**	**(1,471.61)**	**(294.55)**
Earnings Per Share (₹)	**(8.41)**	**(15.36)**	**(8.95)**	**(1.50)**

2. REVIEW OF OPERATIONS

2.1 Review of Standalone Financial

In the financial year 2019-20, the Company achieved an Income from operations of ₹1,515.81 lakhs as compared to ₹2,071.58 lakhs in the previous year. The company has made a provision towards diminution in the value of investment in its wholly owned subsidiaries to the extent of ₹1,235.69 lakhs in the current year as compared to ₹3,695.16 lakhs in the previous year. During the year the Company has approved a proposal for re-development of the Company's own building at Mumbai, which required demolition of the existing building, and hence its written down value of ₹424.78 lakhs has been written off in the books and disclosed as exceptional item for the year ended 31st March, 2020. Loss After Tax was ₹1,343.48 lakhs for the year ending 31st March, 2020 as compared to ₹2,830.70 lakhs in the previous year.

2.2 Review of Consolidated Financial

In the financial year 2019-20, the Company achieved an Income from operations of ₹7,515.88 lakhs as compared to ₹10,645.03 lakhs in the previous year. Loss After Tax was ₹1,471.61 lakhs for the year ending 31st March, 2020 as compared to ₹294.55 lakhs in the previous year.

During the year under review there is no change in nature of business.

3. BUYBACK

The Company completed its third buy-back of 36,50,000 equity shares at a price of ₹130/- per equity share for an aggregate consideration of ₹4,745 Lakhs. The offer size of the buy-back was 19.65% of the fully paid-up equity share capital and free reserves as per the standalone audited accounts of the Company as on 31st March, 2019 and was within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company. The buy-back process was completed and the shares were extinguished on 19th November, 2019. The Company's first buy-back was completed in FY 2017 and second buyback was completed in FY 2018.

4. DIVIDEND

Your Directors have not recommended any dividend for the year 2019-20. The Board of Directors have decided not to transfer any amount to the NBFC Reserved Fund for the financial year 2019-20.

5. SHARE CAPITAL

The Paid-up Equity Capital of the Company as on 31st March, 2020 stood at ₹2,66,00,000/- consisting of 1,33,00,000 Equity Shares of ₹2/- each. During the financial year ended 31st March, 2020, the Company has completed the buyback of 36,50,000 equity shares of ₹2/- each. Therefore, the Paid-up Equity Share Capital decreased from ₹3,39,00,000/- to ₹2,66,00,000/-. The company has paid Listing Fees for the financial year 2019-20 to each of the Stock Exchanges, where its equity shares are listed.

6. COVID-19 IMPACT

The Pandemic 'COVID-19' has severely impacted business globally, including India. There has been severe disruption in regular business operations. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in a global slowdown, including India.

The Company has evaluated the impact of the pandemic on its business operations, liquidity, internal financial reporting and control and financial position and based on the management's review of the current indicators and economic conditions, there is no material impact on its financial results as at 31st March 2020. The assessment of impact of COVID -19 is a continuing process given the uncertainties associated with the nature and duration of the pandemic. The Company will continuously monitor any material changes to future economic conditions and business of the Company.

7. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in **"Annexure G"** in the prescribed Form No. MGT-9 which is a part of this report. The Annual Return of the Company is available on the website of the Company at www.smartlinkholdings.com.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Key Managerial Personnel

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

b. Re-appointments of Directors

Mr. K. R. Naik was re-appointed for a further period of five year as an Executive Chairman of the Company with effect from 26th December, 2019 at last Annual General Meeting of the Company.

Ms. Arati Naik was appointed for a period of three years as an Executive Director of the Company with effect from 1st April, 2019 at last Annual General Meeting of the Company.

As per recommendation of the Nomination and Remuneration Committee of the Company, Mr. Pankaj Baliga, K. M Gaonkar and Mr. Bhanubhai Patel were reappointed as Independent Director of the Company to hold office for second term of five consecutive years at previous Annual General Meeting of the Company.

Ms. Arati Naik retires by rotation and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the AGM Notice.

Mr. Pradeep Pande was appointed as an independent director at the Twenty Second Annual General Meeting (AGM) held on 14th August, 2015 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, the re-appointment for a second term of two years is proposed w.e.f. 5th January 2020 at the ensuing AGM for the approval of the Members by way of a special resolution.

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

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

c. Declaration by Independent Director

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

9. MEETINGS

During the year 6 Board Meetings of the Board of Directors and 4 Audit Committee Meetings were held. The details of the same are given in the Corporate Governance Report which is part of this report. The intervening gap between the Meetings was within the period prescribed under the Act.

Pursuant to provisions of part VII of the Scheduled IV of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, two Separate meeting of Independent Directors were held on 15th May, 2019 and 11th February, 2020 for transacting the business enumerated under the said provisions.

10. BOARD EVALUATION

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

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

a) Observations of board evaluation carried out for the year - There were no observations in the Board Evaluation carried for the year

b) Previous year's observations and actions taken - There were no observations of the Board for the last financial year

c) Proposed actions based on current year observations - Not applicable

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

11. AUDIT COMMITTEE

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

Further, in terms of section 177(8) of the Companies Act, 2013, it is stated that there were no such instances where the Board of Directors have not accepted the recommendations of the Audit Committee during the year 2019-20.

12. 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 the Section 178 of the Act read with Regulation 19 of SEBI Listing Regulations. The details of meetings and their attendance are included in the Corporate Governance Report.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177 of the Companies Act, 2013 read with rules made thereunder, the Company has established a vigil mechanism for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of code of conduct which provides for adequate safeguards against victimization of director(s) / employee(s) and also provides for direct access to the Chairman of the Audit committee in exceptional cases. The Audit Committee and the Board of Directors have approved the Whistle Blower Policy and the details are available on the website of the Company under the weblink https://smartlinkholdings.com/wp-content/uploads/2018/02/Whistle-Blower-Policy-Final-2019.pdf

15. RISK MANAGEMENT

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

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

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

16. SUBSIDIARY COMPANIES

The Company has three subsidiary companies, namely Digisol Systems Limited, Synegra EMS Limited and Telesmart SCS Limited as on 31st March, 2020.

In accordance with Section 129(3) of the Act, 2013, we have prepared financial statements of the Company. Further, a statement containing salient features of the financial statement of our subsidiaries in prescribed format AOC-1 is appended as **Annexure – J** to the Boards Report. The statement also provides the details of performance and financial position of each subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements will be available on our website www.smartlinkholdings.com. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company by electronic means on specific request made to it in this regard.

The Company has formulated a Policy on Material Subsidiary as required under Listing Regulations and the policy is uploaded on the website of the Company at https://smartlinkholdings.com/wp-content/uploads/2017/06/Smartlink-Subsidiary-Policy.pdf.

17. STATUTORY AUDITOR AND AUDIT REPORTS

Pursuant to the provisions of section 139 of the Companies Act, 2013, at the twenty-fifth AGM held on 7th August, 2018 the Members approved appointment of MSKA & Associates, Chartered Accountants (firm registration number 105047W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the thirtieth AGM.

The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's, appointment is not included in the Notice of the ensuing Annual General Meeting.

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

18. SECRETARIAL AUDIT

The secretarial audit report does not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report as **Annexure B.**

19. DEPOSITS FROM PUBLIC

The Company has neither invited nor accepted any deposits from the public during the financial year 2019-20. The Company does not intend to invite or accept any deposits during financial year 2020-21 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. PARTICULARS OF LOANS / ADVANCES / GUARANTEE / INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR

None

21. RELATED PARTY TRANSACTIONS

None of the transactions with related parties fall under the scope of Section 188(1) of the Act.

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

The disclosures as required under IND-AS have been made in Note 39 to the Standalone Financial Statements. The particulars of contracts or arrangements entered by the Company with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure – K** in Form AOC-2 and the same form a part of this report.

The Policy on Related Party Transactions 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/2018/02/5.-Related-Party-Transaction-Policy.pdf

22. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Financial Control Systems, 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.

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

There was no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2020 to the date of the Report.

24. PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

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 and there were no complaints received during the financial year.

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

The particulars in respect of conservation of energy and technology absorption are not applicable to the Company as it is a NBFC company.

Foreign Exchange Gain (net) is given in note No. 27 of the standalone Financial Statements of the Company forming part of this report.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder, your Company has constituted a Corporate Social Responsibility Committee (CSR Committee). The constitution of the committee is given in the Corporate Governance Report. The Corporate Social Responsibility Committee ('CSR Committee') has formulated and recommended to the Board, 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 is displayed on the website of the Company at https://smartlinkholdings.com/wp-content/uploads/2018/02/3.-Corporate-Social-Responsibility-Policy.pdf. 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 – I** to this Report.

27. 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.

28. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

29. CORPORATE GOVERNANCE

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

30. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

a) Transfer of unclaimed dividend

Pursuant to the application provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid and unclaimed dividend are required to be transferred to the IEPF established by the Government of India, after completion of seven years. Accordingly the Company has transferred the unclaimed and unpaid dividend of ₹2,27,230/- during the year.

b) Transfer of Shares to IEPF

According to the provisions of 124 of the Companies Act, 2013 and Rules made thereunder, the shares on which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall be transferred to demat account of IEPF Authority. Accordingly 2,135 shares were transferred as per the requirements of IEPF Rules during FY 2019-20.

31. EMPLOYEE STOCK OPTION SCHEME

The Company has not issued any ESOPS to its employees during the year.

32. REPORTING OF FRAUDS

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

33. PREVENTION OF INSIDER TRADING

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

34. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, Management Discussion and Analysis is annexed as "**Annexure - A**" to the report. Secretarial Audit Report is annexed as "**Annexure - B**". A separate section on the corporate governance is annexed as "**Annexure - C**", together with a certificate from the Mr. Shivaram Bhat confirming compliance is annexed as "**Annexure - D**". Declaration by the Executive Chairman is annexed as "**Annexure - E**". Certificate of Non Disqualification of directors is annexed as "**Annexure - F**". The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standard issued by Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

35. 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 - H**" to this report.

36. GREEN INITIATIVE

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 23rd AGM are sent to all members whose email addresses are registered with the Company / Registrar / Depository Participant(s).

As per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 the requirement of sending physical copies of annual report to those shareholders who have not registered their email addresses was dispensed with for Listed Entities who would be conducting their AGMs during the calendar year 2020. In this respect the physical copies are not being sent to the shareholders. The copy of the same would be available on the website www.smartlinkholdings.com. The initiatives were taken for asking the shareholders to register or update their email addresses.

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

37. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of annual accounts for the financial year end 31st March, 2020, 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 31st March, 2020 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 fraud 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.

38. ACKNOWLEDGEMENTS

Directors place on record their appreciation for the continuing support and co-operation from the customers, vendors, dealers, distributors, resellers, bankers, shareholders, Goa Industrial Development Corporation, State Industries Electricity and other Government departments.

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

For and on behalf of the Board

Place : Verna, Goa
Date : 14th July, 2020

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

Annexure-A

Management Discussion and Analysis

ECONOMIC OVERVIEW

The global economy grew at 2.4% in CY 2019, slowing from 3% in CY 2018 amid global trade war, tariff related uncertainties, and Brexit. Global trade environment continued to remain tough as we entered 2020 due to heightened trade tensions.

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term. The World Bank predicts that the global Gross Domestic Product ("GDP") will decline by 5.2% in the year 2020.

It has been a tough year for the global economy and the already weak trade environment was delivered a killer blow by the Covid-19 pandemic which has sent the economies of virtually all the nations reeling.

THE INDIAN ECONOMY

The Indian economy grew by 4.2% in FY 2019-20 still remaining one of the fastest growing major economies in the world. Industrial activity remained steady in the beginning of the year, but saw marked weakness as the year progressed. Despite weak trade environment amid increasing protectionism, services exports remained resilient at about 8%.

India's forex reserves increased to US$ 475.56 billion as on 27th March 2020, according to data from the Reserve Bank of India.

The outbreak of COVID-19 would make the growth environment difficult in the first half of FY 2020-21 but liquidity measures announced by the government could help provide some support. The markets would continue to undergo massive disruptions due to the COVID-19 pandemic. The economic fallout of and the subsequent recovery from COVID-19 will depend on multiple factors, such as recovery driven by containment efforts, supply chain disruptions, impact of lockdowns etc. The continued spread of COVID-19 could adversely affect workforces, customers, economies and financial markets globally, potentially leading to further economic downturn.

THE NETWORKING INDUSTRY

The combined consumer and enterprise worldwide wireless local area network (WLAN) market segments rose 2.3% year over year in the first quarter of 2020 (1Q20), according to results published in the International Data Corporation (IDC) Worldwide Quarterly WLAN Tracker. The enterprise segment fell 2.2% year over year in 1Q20 with $1.3 billion in revenue.

The first quarter of 2020 began showing the impact of the COVID-19 global pandemic on the enterprise WLAN market. The novel coronavirus began spreading in China early in the quarter then expanded into Europe and North America later in the quarter. The subsequent lockdown of economies represented a headwind for the enterprise WLAN market.

A driver for the enterprise WLAN market is the new Wi-Fi 6 standard, also known as 802.11ax. Across the enterprise market, Wi-Fi 6-supported dependent access points (APs) made up 11.8% of unit shipments and 21.8% of revenues. The previous generation standard, 802.11ac, still made up the majority of shipments (80.9%) and revenues (76.2%).

Meanwhile, the consumer WLAN market grew 5.5% year over year in 1Q20. Within the consumer market, 62.5% of shipments and 79.4% of revenues were for 802.11ac products. APs supporting the older 802.11n standard still made up 36.9% of unit shipments and 17.6% of revenues, not surprising given the price sensitivity seen across many emerging markets.

THE INDIAN NETWORKING INDUSTRY

Active Networking Products:

The Networking market in India has shown a lot of growth potential based on DC footprint expansion across enterprises. The number of connected devices is increasing rapidly and the focus on managing data from the "Edge to core" is becoming important more than ever. As organizations are looking to digitally transform themselves are in the compulsion to adopt software-based technologies to improve manageability. Technologies like SD-WAN can derive very high levels of flexibility and agility by transferring the manageability to software.

The Indian Networking Market which comprises of Ethernet Switch, Router and WLAN segments posted a growth of 14.8% in the first quarters of 2019 and 5.5% decline in second quarter. The third quarter saw a steep decline of 30.6% 30.6% due to strong investments that happened during 2018, while in the 4th quarter the decline rate tapered down and stood at 22.5%

The Ethernet Switch, Router, and WLAN market are expected to grow in single digits in terms of compound annual growth rate (CAGR) for 2018-2023. Increased adoption of emerging technologies such as cloud, IOT, mobility, etc. would drive incremental revenues. IDC also expects large investments for 5G rollouts in the next couple of years. India Networking Market showed a 5.5% YoY Decline in 2Q19, primarily due to Router Segment; IDC India Reports says.

Passive Networking Products:

The India structured cabling market is projected to reach $861.6 million by 2023, increasing demand for copper cables, growing data center market, increasing number of product launch activities by the market players, and rising demand for bandwidth solutions, are the major factors driving the growth of the market.

On the basis of application, the India structured cabling market has been categorized into data center and LAN. Data center is expected to register faster growth in the market, during the forecast period, owing to growing demand for cloud computing and cloud storage. This demand is fulfilled by increasing number of data centers in the country. Regionally, the India structured cabling market has been categorized into northern, southern, eastern, and western. Southern region is projected to hold the largest revenue share of 41%, by 2023, in the India structured cabling market, with cities like Bangalore, Chennai, and Hyderabad that are few of the largest IT hubs in the country.

BUSINESS OVERVIEW

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

DIGISOL SYSTEMS LTD.

The IT networking industry grows by leaps and bounds every year however, the one thing that stays comparatively constant is the brand. Due to the technology industry's accelerated evolution brands take on increased importance by providing an effective counterbalance to what buyers perceive as constant change, clutter and confusion. At Digisol, we strive to push the boundaries with our marketing activities and accord great importance to brand building which will ensure the Company's long-term success. The main focus has been to position DIGISOL as a leading 'Made in India' brand that offers products of global standards, credibility and delivers a fantastic user experience.

Active Networking Products:

Digisol offers a wide range of active networking products with the portfolio encompasses over 150 products across the IT networking spectrum. Marketed under the brand name DIGISOL, these products incorporate world class quality and are backed by Synegra's and Telesmart'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 to introduce new generation products like Next Gen wireless routers, networking switches and enterprise wireless products based on the changing needs of the market. These also include products manufactured by the Group's manufacturing arm Synegra EMS.

Passive Networking Products:

Technology is constantly changing and so are business needs. With the latest technologies like 5G, IoT, Wi-Fi 6, SDN and Cloud coming in, Digisol launched ConvergeX series Future Ready Structured Cabling Solution under its New Digisol Enterprise structured cabling system. These solutions have been helping enterprises build the next generation of business and create paths toward future growth. The name Digisol ConvergeX refers to the term 'Converge' that stands for a single network that unifies and carries a combination of data, voice and video traffic, while X stands for the Xtreme speed. ConvergeX enterprise structured cabling series aims to enhance the way enterprises works and unlocks opportunities for the future.

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

Brand Building is the key to DIGISOL's success:

Brand building has always been accorded top priority at Digisol. While it is important to provide finest quality products of the latest technology, the manner in which the consumer perceives the brand is equally important, especially from the long-term perspective.

Digisol will continue to invest in educating the channel community and system integrators who interact with the end consumers and play a strong role in building the brand. The company introduced DITT- Digisol Institute of Technical Training that focus on educating Partners and System Integrators community about forthcoming technologies in IT Networking Industry.

Digisol believes in encouraging stakeholder by introducing various promotion schemes and loyalty programs. To gain share in the electrician and contractors market, the company has introduced Digisol Cash Karo loyalty programme that aims to build relationship with electricians and reward them by giving them an opportunity to win reward points on purchasing Digisol Structured Cabling products and redeem these points for cash.

THE INDIAN NETWORKING MARKET IN 2019

(Values in USD million)

Particulars	Q1 2019		Q2 2019		Q3 2019		Q4 2019	
	Value	Growth	Value	Growth	Value	Growth	Value	Growth
Ethernet Switch Market	146.00	4.5%	140.1	2.1%	149.1	↓7%	142.6	↓3.7%
Router Market	133.9	34.1%	72.3	↓24.3%	96.5	33.0%	75.8	↓46.5%
WLAN	53.37	5.6%	54.9	9.1%%	57.00	12.0%	56.7	↓13.1%
Indian Networking Market		14.8%		↓5.5		↓30.6%		↓22.5%

* Source from "IDC WLAN AND LAN" tracker report

The Company's brand building efforts include participation in the leading industry events, trade shows and expos with strong brand presence in resellers outlet through in-shop branding. In addition to traditional advertising in India, Digisol is active on important social media platforms like Facebook, LinkedIn, Instagram, and Twitter.

Brand Building Activities:

Several Brand Building activities were undertaken during the year:

- Organized various Channel Partner events
- Introduced Digisol Institute of Technical Training
- Create mass visibility of Digisol Cash Karo Loyalty Program
- Participation in Trade Shows and Expos
- Launched various Schemes for Partners & System Integrators
- Content Creation-White Papers, Success Stories, Blogs, Videos etc.
- Retail Branding
- Advertising

Digisol Support:

Digisol offers high quality after sales service and support to deliver total customer satisfaction. The company provides these services under a special division known as 'Digisol Support'. It has embarked on a journey of consolidation and improving customer experience through a new model of service network that offers faster turnaround of customer service. Digisol's RMA has an all India network of 63 DIGISOL service and support centres and has a Technical Call centre as well, called STAC (Smartlink Technical Assistance Centre). Digisol's customer care team supports all India customers on voice, email and chat.

SYNEGRA EMS LIMITED

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra is an Electronics Manufacturing Services (EMS)/Original Design Manufacturing (ODM) Company which caters to IT, Networking, Telecom, Medical, Automotive and Defence sectors. Its certified facilities at Goa includes SMT lines, Assembly Testing Lines and a highly skilled team for electronics manufacturing including components sourcing.

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

TELESMART SCS LIMITED

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

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

FINANCIAL PERFORMANCE

i) Standalone Financials

In the financial year 2019-20, the Company achieved an Income from operations of ₹1,515.81 lakhs as compared to ₹2,071.58 lakhs in the previous year.

The Company's Loss After Tax for the year ending 31st March, 2020 was ₹1,343.48 lakhs as compared to ₹2,830.70 lakhs in the previous year.

Key Financials Ratio:

Particulars	FY 2020	FY 2019
Current Ratio (in %)	14.97	23.31
Operation Profit Margin (in %)	-49.85	-114.50
Net Profit Margin (in %)	-86.47	136.54
Return on Net Worth (in %)	-7.00	-10.95

ii) Consolidated Financials

In the financial year 2019-20, the group achieved an Income from operations of ₹7,515.88 lakhs as compared to ₹10,645.03 lakhs in the previous year.

The Loss After Tax for the year was ₹1,471.61 lakhs for the year ending 31st March, 2020 as compared to Loss after Tax of ₹294.55 lakhs in the previous year.

HUMAN RESOURCES

Smartlink and its subsidiaries are equal-opportunity employers and human values form the backbone of the organization.

Our Values at work:

- An ethical, value-based approach
- Careers that offer learning opportunities
- Growth and feeling of sense of accomplishment
- Performance oriented
- Combination of hard work and customer orientation

We have always focused on developing the employees and enhancing their capabilities. The key element of our Human Resource strategy is to provide a working environment that encourages innovation, enhances work satisfaction and builds a merit-driven organization. The organisation's human resource vision is to create a committed workforce through people-enabling processes and knowledge sharing practices based upon its value system. As on 31st March, 2020, the Company had 27 employees. Smartlink's future success will depend, in part, on our ability to continue to attract, retain and motivate highly qualified technical and management personnel, for whom competition is intense.

RISK FACTORS

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

Smartlink invests in various financial instruments like mutual fund, bonds, Non-convertible debentures and other securites 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 operates. 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 currency, in particular the movement of US dollar vis-à-vis the Indian Rupee as the subsidiaries import more than 70% of the components here the payment is in US Dollars. In today's constantly changing markets, companies may opt to maintain and grow sales by selling at competitive prices. Products have become commoditized over time as alternative products become available or the number of suppliers offering the same product increases.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

The framework requires the Company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. Smartlink's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Audit Committee periodically reviews the functions of Internal Audit.

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Listing Regulations 2015) as of 31st March, 2020. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Listing Regulations 2015), our audit committee has concluded that, as of 31st March, 2020, 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, 2020

[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
(Formerly known as SMARTLINK NETWORK 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 **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, 2020 (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, 2020 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, 2009 (Not applicable to the Company during the audit period);

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (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, 2009 (Not applicable to the Company during the audit period); and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,

   a) RBI regulations for Non- Banking Financial Companies to the extent applicable.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

I further report that -

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

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

The decisions were carried unanimously.

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

I further report that during the audit period:

a. The Company continues to be registered as a Non Banking Financial Company under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934;
b. Vide Special Resolution passed on 30th July, 2019 at an extra ordinary general meeting Buyback of Equity shares not exceeding 42,00,000 aggregating to 24.78% of the paid-up equity capital of the company at a price of ₹130/- per equity was approved. Since then, the buyback of 36,50,000 equity shares has been completed.

Shivaram Bhat

Place : Panaji, Goa
Date : July 14, 2020

Practising Company Secretary
ACS No. 10454, CP No. 7853
UDIN: A010454B000448056

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 : July 14, 2020

Practising Company Secretary
ACS No. 10454 & CP No. 7853
UDIN: A010454B000448056

Annexure-C

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

A. Composition and Category of Directors

The present Board comprises of 7 members consisting of 2 Executive Directors including one Women Director and 5 Independent Non-Executive Directors. The Company has an Executive Chairman.

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 31st March, 2020 have been made by the Directors. None of the Directors are related except Mr. K. R. Naik and Ms. Arati Naik.

B. Category and attendance of Directors

Details of attendance of Directors at the Board meetings and at the last Annual General Meeting 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 2019-20	Attendance of AGM held on 28th September, 2019	No. of other Directorships (As on 31.03.2020)#	No. of Committee Positions in Mandatory Committees@	
					Member	Chairman
Mr. Kamalaksha Naik	EC	5	Yes	3	Nil	Nil
Mr. Krishnanand Gaonkar	NED and IND	6	Yes	2	Nil	Nil
Mr. Pankaj Baliga	NED and IND	6	Yes	1	Nil	Nil
Mr. Pradeep Pande	NED and IND	4	Yes	1	Nil	Nil
Mr. Bhanubhai Patel	NED and IND	6	Yes	2	Nil	Nil
Mr. Pradeep Rane	NED and IND	6	No	1	Nil	Nil
Ms. Arati Naik	ED	5	Yes	1	Nil	Nil

* EC: Executive Chairman, ED: Executive Director
NED and IND : Non-Executive Director and Independent Director
NED and Non -IND : Non-Executive Director and Non - Independent Director
excludes Directorships in Private and Foreign companies
@ In accordance with Regulation72 of Listing Regulations, Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee in all companies (excluding Smartlink Holdings Ltd) have been considered

i. The Company held 6 Board Meetings during the Financial Year 2019-20 dated 15th May, 2019, 14th June, 2019, 31st July, 2019, 28th August, 2019, 12th December, 2019 and 11th February, 2020 and the gap between the two meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

   During FY 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

ii. During FY 2020, two meetings of the Independent Directors were held on 15th May, 2019 and 11th February, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Executive Chairman of the Company.

iii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

C. Board Training and Induction/familiarization program

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

D. Board Agenda

The Board meetings are scheduled well in advance and the Board members are generally given a notice of at least 7 days prior to the meeting. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions. The information as required under Part A of Schedule II pursuant to Regulation 17 of Listing Regulations is made available to the Board.

As stated elsewhere, the Independent Directors of the Company at their meeting held on 15th May, 2019 expressed their satisfaction on the quality, quantity and timeliness on flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E. Certification from Company Secretary in Practice

Mr. Shivaram Bhat, Practicing Company Secretary, has issued certificate as required under the Listing Regulations, Confirming that none of the Directors of the Board of Company has been debarred or disqualified from being appointed or continuing as Director of the Companies by the SEBI / Ministry of Corporate affairs or any such statutory authority.

F. Key Board qualifications, expertise, competence and attributes

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

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

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

G. Details of Equity shares of the Company held by the Directors as on 31st March, 2020 are given below:

Name	Category	Number of equity shares
Mr. K. R. Naik	Executive Chairman	66,50,000
Mr. Krishnanand Gaonkar	Independent, Non Executive	19,774
Ms. Arati Naik	Executive Director	13,30,000

3. COMMITTEES OF BOARD

With a view to have better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

A. AUDIT COMMITTEE

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

1. Extract of Terms of reference

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval,
- 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;
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

2. Composition and attendance of members of Audit Committee at the meetings held during the year

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	4
Mr. Bhanubhai Patel	Independent, Non Executive	4

Four Audit Committee meetings were held during the year and the gap between two meetings did not exceed 120 days. The Audit Committee meetings were held on 15th May, 2019, 28th August, 2019, 12th December, 2019 and 11th February, 2020. 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.

All the recommendations of the Audit Committee have been accepted by Board of Directors.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28th day of September, 2019.

B. NOMINATION AND REMUNERATION COMMITTEE

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

1. Terms of Reference:

The Nomination and Remuneration Committee was formed with the responsibility for determining the remuneration for all executive directors and KMP's, including any compensation payments, such as retirement benefits or stock options and also to determine principles, criteria and the basis of remuneration policy of the Company and shall also recommend and monitor the level and structure of pay for senior management, i.e. one level below the Board.

2. Nomination and Remuneration Committee shall perform the following role:

i. 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;

ii. Formulation of criteria for evaluation of Independent Directors and the Board;

iii. Devising a policy on Board diversity;

iv. 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.

v. 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.

3. Composition and attendance of members of Nomination and Remuneration Committee at the Meetings held during the year:

Members	Category of Director	No. of meetings attended
Mr. Krishnanand Gaonkar - Chairman	Independent, Non Executive	3
Mr. Pradeep Rane	Independent, Non Executive	3
Mr. Pankaj Baliga	Independent, Non Executive	3
Mr. Pradeep Pande	Independent, Non Executive	2

During the Financial Year 2019-20, three Committee meetings were held on 15th May, 2019, 28th August, 2019 and 12th December, 2019.

The Chairman of NRC Committee was present at the Annual General Meeting of the Company held on 28th September, 2019.

4. Nomination and Remuneration Policy:

i. 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.

ii. To carry out evaluation of the performance of Directors' as well as Key Managerial and Senior Managerial Personnel.

iii. Devising a policy on Board diversity.

5. The remuneration paid to the Directors for the year ended 31st March, 2020 is given below:

i. Executive Director:

Executive Director	Salary, Contribution to P.F, Perquisites & Commission
Mr. Kamalaksha Naik – Executive Chairman	Nil
Ms. Arati Naik – Executive Director	₹29.78 Lakhs

Salient features of the Terms of Appointment:

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

ii. Non-Executive Directors:

In accordance with the resolution passed at the Annual General Meeting held on 5th August, 2016 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.

iii. Details of sitting fees paid/to be paid to the Non-Executive Independent Directors for the period under review are as under:

Non-Executive Directors	Sitting Fees (₹)
Mr. Krishnanand Gaonkar	6,60,000
Mr. Pankaj Baliga	7,10,000
Mr. Pradeep Rane	6,50,000
Mr. Bhanubhai Patel	5,50,000
Mr. Pradeep Pande	3,00,000

6. 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 with the Company other than sitting fees paid to them for attending board and committee meetings.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

1. 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.

2. **Composition and attendance of members at the Meetings held during the year:**

Members	Category of Director	No. of meetings attended
Mr. Pankaj Baliga - Chairman	Independent, Non Executive	2
Mr. Kamalaksha Naik	Executive Chairman	2
Mr. Krishnanand Gaonkar	Independent, Non Executive	2

i. During the year two meetings of the Stakeholders Relationship Committee were held on 15th May, 2019 and 11th February, 2020

ii. Name and Designation of Compliance Officer - Ms. Urjita Damle, Company Secretary.

iii. Details of investors complaints received and redressed during the year 2019-20 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	22	22	NIL

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

1. **Terms of reference:**

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

2. **Composition and attendance of members at the Meetings held during the year:**

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

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

During the year one meetings of the CSR Committee was held on 15th May 2019.

4. INDEPENDENT DIRECTORS

A. Formal Letter of Appointment to Independent Directors:

The Company has issued a formal letter of appointment to all Independent Directors in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors is uploaded on the website of the Company.

B. Independent Directors' Meeting

During the year, two meetings of Independent Directors were held on 15th May, 2019 and 11th February, 2020 inter alia, to:

1. review the performance of non-independent directors of the Company;
2. review the performance of the Board as a whole
3. review the performance of the Chairperson of the company,
4. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties
5. brief the Independent Directors on the latest requirements of the enrollment of their name as per latest amendment in the Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 in the databank maintained by Ministry of Corporate Affairs.

C. Independent Directors' Familiarization Programme

SEBI Listing Regulations stipulates that:

The Company shall familiarize the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

The Company has adopted the familiarization programme for Independent Directors and the details of which are uploaded on the website of the Company at http://smartlinkholdings.com/wp-content/uploads/2018/02/7.-Smartlink-Independent-Directors-Familiarization-Programme.pdf

5. BOARD DIVERSITY POLICY

The Company in compliance with the SEBI Listing Regulations has formulated a policy on Board diversity which sets out the framework to promote diversity on Company's Board of Directors. The policy was recommended by Nomination and Remuneration Committee and approved by the Board.

6. PERFORMANCE EVALUATION POLICY

The Company in compliance with Section 134 (3) (p) of the Act and SEBI Listing Regulations has formulated a Performance Evaluation Policy which sets out the framework in which the Board of Directors shall conduct formal annual evaluation of its own performance and that of the Committees and individual Directors. The policy was recommended by Nomination and Remuneration Committee and approved by the Board.

During the year 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 other Committees. The performance evaluation policy 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 Director's evaluation 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 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 Executive Chairman was carried out by the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

7. RISK MANAGEMENT POLICY

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

8. DISCLOSURES

A. All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under regulation 23 of Listing Regulations.

   A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board and the same is placed on https://www.smartlinkholdings.com/wp-content/uploads/2018/02/5.-Related-Party-Transaction-Policy.pdf

B. No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matters related to capital markets during the last three years.

C. The company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied the access to the Chairman of the Audit Committee.

D. The Company has complied with all the mandatory requirements as stated in Regulation 72 of SEBI Listing Regulations and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations, as applicable, with regards to Corporate Governance.

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 Meeting in accordance with the applicable laws. A declaration to this effect is also submitted by all the Directors at the beginning of each year financial year.

F. Details of foreign currency exposure and hedging – None.

G. MSKA & Associates, Chartered Accountants (Firm Registration No. 101157W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees on consolidated basis is as given in note no. 35 of the consolidated financial statements.

H. During the year, the Company has not received any compliant in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

9. CODE OF CONDUCT

The Company has adopted a Code of Conduct' for the Directors and Senior Management of the Company. Regulation 17(5)(b) of SEBI Listing Regulations requires that the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013. Hence duties of Independent Directors were included in Smartlink Code of Conduct. The revised Code of Conduct has been uploaded on the website of the Company. The code promotes are conducting the business in an ethical,efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders.

10. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

11. SUBSIDIARY COMPANIES

Provisions to the extent applicable as required under regulation 24 of the Listing Regulations with reference to subsidiary companies were duly complied. The Company monitors the performance of wholly owned unlisted subsidiary companies. The related party policy is disclosed on the website of the Company at https://www.smartlinkholdings.com/wp-content/uploads/2018/02/5.-Related-Party-Transaction-Policy.pdf

The Company's Audit Committee reviews the Financial Statement of the Subsidiaries, including the Investments made by the Subsidiaries. The Minutes of the Board Meetings, along with the report of significant transactions and arrangements of the unlisted subsidiaries of the Company are placed before the Board of Directors of the Company.

The Company has formulated a policy for determining material Subsidiaries and the Policy is disclosed on the Company's website http://smartlinkholdings.com/wpcontent/uploads/ 2017/06/Smartlink-Subsidiary-Policy1.pdf

12. GENERAL BODY MEETING

A. Location and time, where last three AGMs were held:

Location	Date	Time
L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722	28th September, 2019	11.00 a.m.
	07th August, 2018	11.00 a.m.
	12th August, 2017	11.00 a.m.

B. Special Resolutions Passed

1. Special Resolutions passed at the last Annual General Meeting held on 28th September, 2019 are:
   a) For re-appointment of Mr. K. R. Naik as an Executive Chairman of the Company for a further period of 5 years.
   b) For re-appointment of Mr. Pankaj Baliga as an Independent Director to hold office for second term of five consecutive years.
   c) For re-appointment of Mr. K. M. Gaonkar as an Independent Director to hold office for second term of five consecutive years.
   d) For re-appointment of Mr. Bhanubhai Patel as an Independent Director to hold office for second term of five consecutive years.
2. One Special Resolution was passed at the Annual General Meeting held on 7th August, 2018 that is
   a) Continuation of holding office of Mr. K. R. Naik as Executive Chairman of the Company who has attained the age of 70 years.
3. There were no Special Resolutions passed at the Annual General Meeting held on 12th August, 2017.

C. Details of Special resolutions passed through Postal Ballot during the year

Brief Procedure for Postal Ballot	
Type of Meeting	Postal Ballot
Date of Postal Ballot Notice	27th June, 2019
Voting Period	1st July, 2019 to 30th July, 2019
Type of Resolution	Special Resolution
Details of Voting Pattern	Votes in favour: 1,26,81,496 (99.99%) Votes against: 1,617 (0.01%)
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of Declaration of result/date of approval	31st July, 2019 / 30th July 2019
Item of Resolution passed through the Postal Ballot	Approval of Shareholders for authorizing buy-back of equity shares from its existing shareholders

13. MEANS OF COMMUNICATION

Quarterly Results	Published in Newspapers
Newspapers in which normally published	Financial Express, The Times of India (in English) and Gomantak / 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

14. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting:

Date : 11th December, 2020

Time : 11.00 a.m.

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

B. Financial Calendar:

The Company's financial year begins on April 1st and ends on March 31st every year.

Particulars	Date*
First Quarter Results	On or before 14th August, 2020
Second Quarter Results	On or before 14th November, 2020
Third Quarter Results	On or before 14th February, 2021
Fourth Quarter Results	On or before 30th May, 2021

* As extended by SEBI from time to time.

C. Dates of Book Closure:

The register of members and the share transfer register will remain closed from 27th November, 2020 to 4th December, 2020 (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 11th April, 2001.

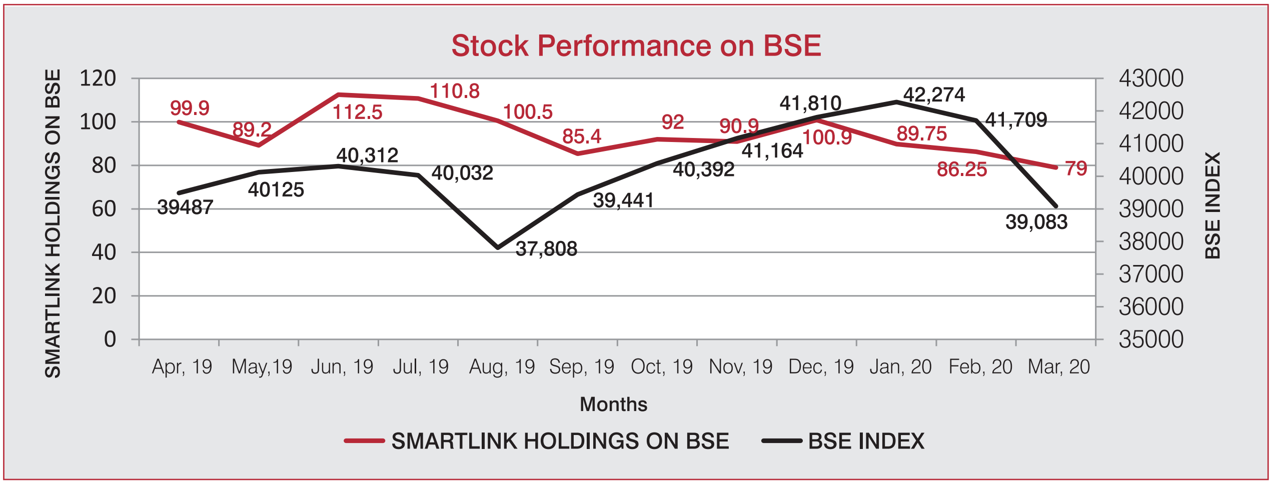
The listing fees were paid to the stock exchanges.

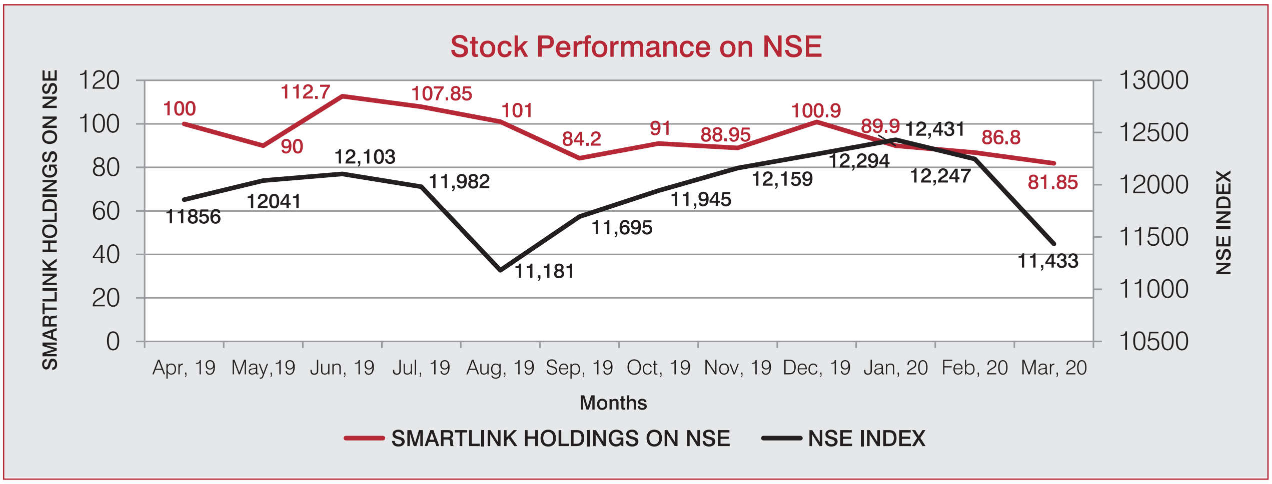
Name & Address of the Stock Exchanges	Stock Code	Time
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	532419	INE 178C01020
The National Stock Exchange of India Limited Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400051	SMARTLINK	

F. Market Price Data:

Stock High/Low price during each month in the last financial year 2019-20 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, 19	99.90	85.20	39487	38,460	100.00	85.00	11856	11549
May, 19	89.20	68.10	40125	39,956	90.00	80.15	12041	11108
Jun, 19	112.50	80.10	40,312	38,871	112.70	80.00	12,103	11,625
Jul, 19	110.80	77.00	40,032	37,128	107.85	79.00	11,982	10,999
Aug, 19	100.50	75.10	37,808	36,102	101.00	72.10	11,181	10,637
Sep, 19	85.40	76.00	39,441	35,988	84.20	75.10	11,695	10,670
Oct, 19	92.00	68.25	40,392	37,416	91.00	71.00	11,945	11,090
Nov, 19	90.90	72.50	41,164	40,014	88.95	71.15	12,159	11,803
Dec, 19	100.90	73.05	41,810	40,135	100.90	74.50	12,294	11,832
Jan, 20	89.75	78.85	42,274	40,477	89.90	78.15	12,431	11,930
Feb, 20	86.25	73.00	41,709	38,220	86.80	71.20	12,247	11,175
Mar, 20	79.00	50.00	39,083	25,639	81.85	50.00	11,433	7,511





G. Registrar and Share Transfer Agents:

Kfin Technologies Private Limited
Unit: Smartlink Holdings Limited
Kfintech Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 032
Tel: +91 4067162222, Fax: +91 4023001153, Toll Free: 1800-345-4001
Email: einward.ris@kfintech.com

H. Share Transfer System:

Trading in equity shares of the Company is permitted only in dematerialized form.

I. Unclaimed dividend:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed 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").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority within 30 days of shares becomes due to be transferred. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

1. The following table provides a list of years for which unclaimed dividends and their corresponding shares would become due to be transferred to the IEPF on the dates mentioned below:

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2013	27.07.2013	26.08.2020	25.09.2020
31.03.2014	26.07.2014	25.08.2021	24.09.2021
31.03.2015	14.08.2015	13.09.2022	12.10.2022
31.03.2017	12.08.2017	11.09.2024	10.10.2024

2. Equity shares in the suspense account

   In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2019	117	10,956
Shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	21	2135
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2020	138	13,091

The voting rights on the shares outstanding in the suspense account as on 31st March, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

J. Shareholding as on 31st March, 2020:

1. Distribution of Shareholding as on 31st March, 2020

Sr. No.	Category (Shares) From – To	Number of shareholders	No. of Shares	% to Equity Capital
1.	1-500	9,570	10,79,077	8.11
2.	501-1000	527	4,12,926	3.10
3.	1001-2000	199	3,13,228	2.36
4.	2001-3000	66	1,63,632	1.23
5.	3001-4000	25	89,208	0.67
6.	4001-5000	25	1,18,710	0.89
7.	5001-10000	45	3,48,305	2.62
8.	10001 and above	30	1,07,74,914	81.01
Total		**10,487**	**1,33,00,000**	**100.00**

2. Shareholding Pattern as on 31st March, 2020

Sr. No.	Category of Shareholders	Total Holdings	Holdings in %
1.	Promoter and Promoter Group	99,18,473	74.57
2.	Financial Institutions / Banks/ Trusts	30	0.00
3.	Bodies Corporate	4,89,106	3.68
4.	Individuals	28,09,638	21.13
5.	Clearing Members	4,275	0.03
6.	NRI's	65,187	0.49
7	NBFC	200	0.00
8.	IEPF account	13,091	0.10
Total		**1,33,00,000**	**100.00**

K. Gobal Depository Receipts (GDR) or any Convertible instruments, conversion dates and likely impact on Equity: Not Applicable

L. Dematerialisation of Shares and Liquidity:

The total number of shares in dematerialized form as on 31st March, 2020 is 1,32,86,791 representing 99.90% of the total number of shares of the Company.

The equity shares of the Company are actively traded on BSE and NSE.

M. Plant Location: Not Applicable

N. 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 Fax No: 0832-2783395 Email: Company.Secretary@smartlinkholdings.com	Kfin Technologies Private Limited Unit: Smartlink Holdings Limited Registrar and Transfer Agent KFintech Tower B, Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli,Hyderabad - 500 032 Tel: +91 4067162222, Fax: +91 4023001153 Toll Free: 1800-345-4001 Email: einward.ris@kfintech.com

O. Compliance with Non Mandatory Requirements

1. The Board of Directors:

The Company has an Executive Chairman. No separate office is maintained for Non-Executive Chairperson and the expenses incurred by during performance of duties are reimbursed.

2. 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.

3. Modified opinion in audit reports:

During the year under review, there were no audit qualifications on the Company's financial statements.

4. Reporting of Internal Auditor

The Company had 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.

Annexure - D

Independent Auditors' Certificate on Corporate Governance

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 (formerly known as SMARTLINK NETWORK SYSTEMS LIMITED)

To the members of **SMARTLINK HOLDINGS LIMITED (formerly known as SMARTLINK NETWORK SYSTEMS LIMITED)**

I have examined the compliance with conditions of Corporate Governance by SMARTLINK HOLDINGS LIMITED (formerly known as SMARTLINK NETWORK SYSTEMS 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 2020.

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 : July 14, 2020

Practising Company Secretary
ACS No. 10454, CP No. 7853
UDIN: A010454B000448089

Annexure - E

Declaration by Executive Chairman

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

I, Mr. K. R. Naik, Executive Chairman of Smartlink Holdings Limited, hereby declare that the Company has in respect of the financial year ended 31st March, 2020, received from all the members of the Senior Management of the Company and of the Board, a declaration for compliance with the code of conduct of the Company as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

For Smartlink Holdings Limited

K. R. Naik
Executive Chairman
DIN: 00002013

Place : Verna, Goa,
Date : 14th July, 2020

Annexure-F

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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN	Date of Appointment in Company
1	KAMALAKSHA RAMA NAIK	00002013	31/03/1993
2	KRISHNANAND MARUTI GAONKAR	00002425	24/05/2000
3	PANKAJ MADHAV BALIGA	00002864	22/12/2005
4	PRADEEP GOPAL PANDE	00064518	05/01/2015
5	BHANUBHAI RAMJIBHAI PATEL	00223115	09/09/2014
6	PRADEEP ANANT RANE	01446215	26/12/2006
7	ARATI KAMALAKSHA NAIK	06965985	09/09/2014

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

Shivaram Bhat

Place : Panaji, Goa
Date : July 14, 2020

Practising Company Secretary
ACS No. 10454, CP No. 7853
UDIN: A010454B000448034

Annexure-G

FORM NO. MGT. 9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L67100GA1993PLC001341
Registration Date	31st March, 1993
Name of the Company	Smartlink Holdings Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	L-7, Verna Industrial Estate, Verna, Salcete, Goa, 403722 Tel No. 0832-2885400 Company.Secretary@smartlinkholdings.com www.smartlinkholdings.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Kfin Technologies Private Limited Unit: Smartlink Holdings Limited Kfintech Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Tel: +91 40 67161500 Toll Free No: 18003454001 Email: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Investment	6430	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Digisol Systems Limited	U31909GA2016PLC012970	Subsidiary	100	2(87)
2.	Synegra EMS Limited	U31909GA2016PLC012969	Subsidiary	100	2(87)
3.	Telesmart SCS Limited	U31900GA2016PLC013046	Subsidiary	80	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of shareholding at the beginning of the year				No. of shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
Promoters									
Indian									
Individuals/ Hindu Undivided Family	1,25,23,672	0	1,25,23,672	73.89	99,18,473	0	99,18,473	74.57	0.68
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00

Form No. MGT. 9

i) Category-wise Share Holding (Contd.):

Category of Shareholders	No. of shareholding at the beginning of the year				No. of shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	**1,25,23,672**	**0**	**1,25,23,672**	**73.89**	**99,18,473**	**0**	**99,18,473**	**74.57**	**0.68**
Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**1,25,23,672**	**0**	**1,25,23,672**	**73.89**	**99,18,473**	**0**	**99,18,473**	**74.57**	**0.68**
Public shareholding									
Institutions									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
Financial Institutions / Banks	310	0	310	0	30	0	30	0	0.00
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	**310**	**0**	**310**	**0.00**	**30**	**0**	**30**	**0.00**	**0.00**
Non-institutions									
Bodies Corporate	7,16,204	0	7,16,204	4.23	4,89,106	0	4,89,106	3.68	(0.55)
Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	33,60,509	13,909	33,74,418	19.91	26,95,075	13,209	27,08,284	20.36	0.45

i) Category-wise Share Holding (Contd.):

Category of Shareholders	No. of shareholding at the beginning of the year				No. of shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	1,50,000	0	1,50,000	0.88	1,01,354	0	1,01,354	0.76	(0.12)
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indian Non Repatriable	33,927	0	33,927	0.20	23,449	0	23,449	0.18	(0.02)
Non Resident Indians	56,370	0	56,370	0.33	41,738	0	41,738	0.31	(0.02)
Clearing Members	83,627	0	83,627	0.49	4,275	0	4,275	0.03	(0.46)
NBFC registered with RBI	516	0	516	0.00	200	0	200	0.00	0.00
IEPF	10,956	0	10,956	0.06	13,091	0	13,091	0.1	(0.04)
Sub-Total (B)(2)	**44,12,109**	**13,909**	**44,26,018**	**26.11**	**33,68,288**	**13,209**	**33,81,497**	**25.43**	**(0.68)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**44,12,419**	**13,909**	**44,26,328**	**26.11**	**33,68,288**	**13,209**	**33,81,527**	**25.43**	**(0.68)**
TOTAL (A)+(B)	**1,69,36,091**	**13,909**	**1,69,50,000**	**100.00**	**1,32,86,791**	**13,209**	**1,33,00,000**	**100.00**	**0.00**
Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Sub-Total (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A)+(B)+(C)	**1,69,36,091**	**13,909**	**1,69,50,000**	**100.00**	**1,32,86,791**	**13,209**	**1,33,00,000**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Kamalaksha Rama Naik	84,95,878	50.12	0.00	66,50,000	50.00	0.00	(0.12)
2.	Ms. Arati Kamalaksha Naik	16,95,006	10.00	0.00	13,30,000	10.00	0.00	0.00
3.	Mrs. Lakshana Amit Sharma	13,00,874	7.67	0.00	11,30,500	8.50	0.00	0.83
4.	Mrs. Sudha Kamalaksha Naik	8,47,540	5.00	0.00	6,65,000	5.00	0.00	0.00
5.	Kamalaksha Rama Naik (HUF)	1,84,374	1.09	0.00	1,42,973	1.07	0.00	(0.02)
	Total	**1,25,23,672**	**73.89**	**0.00**	**99,18,473**	**74.57**	**0.00**	**0.68**

iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 1, 2019		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding at the end of the year March 31, 2020	
		No of Shares	% of total shares of the Company			No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1.	Mr. Kamalaksha Naik	84,95,878	50.12					84,95,878	50.12
				13/11/2019	Tendering of Shares in Buyback	(19,07,763)	(0.59)		
				24/12/2019	Market Purchase	61,885	0.47		
	At the end of the year							66,50,000	50.00
2.	Ms. Aarti Naik	16,95,006	10.00					16,95,006	10.00
				13/11/2019	Tendering of Shares in Buyback	(3,80,616)	(0.12)		
				19/12/2019	Market Purchase	15,610	0.12		
	At the end of the year							13,30,000	10.00
3.	Mrs. Lakshana Sharma	13,00,874	7.67					13,00,874	7.67
				29/03/2019	Market Purchase	82,171	0.49		
				13/11/2019	Tendering of Shares in Buyback	(3,10,564)	(0.09)		
				23/12/2019	Market Purchase	57,519	0.43		
				26/12/2019	Market Purchase	500	0.00		
	At the end of the year							11,30,500	8.50
4.	Mrs. Sudha Naik	8,47,540	5.00					8,47,540	5.00
				13/11/2019	Tendering of Shares in Buyback	(1,90,316)	(0.06)		
				19/12/2019	Market Purchase	7,776	0.06		
	At the end of the year							6,65,000	5.00
5.	Kamalaksha Rama Naik (HUF)	1,84,374	1.09					1,84,374	1.09
				13/11/2019	Tendering of Shares in Buyback	41,401	(0.02)		
	At the end of the year							1,42,973	1.07

Form No. MGT. 9

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year 01.04.2019		Cumulative shareholding at the end of the year 31.03.2020	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	Zen Securities Ltd	4,27,314	2.52	3,17,934	2.39
2.	K.Swapna	1,50,000	0.88	1,01,354	0.76
3.	Chemtech Acids & Chemicals Pvt. Ltd.	46,710	0.28	46,710	0.35
4.	Keshav Bhalotia	50,000	0.29	40,000	0.30
5.	Nuco Merchandise Private Limited	40,000	0.24	34,000	0.26
6.	Sri Krishna Gullapalli	29,979	0.18	29,979	0.23
7.	Surender Chugh	18,000	0.11	27,958	0.21
8.	Jatan Kumar Baid	27,550	0.16	27,550	0.21
9.	Sanjeev Bhalotia	18,000	0.11	18,000	0.14
10.	K. Satish	14,000	0.08	-	0.00
11.	Varsha Ramesh Parikh	73,008	0.43	534	0.00
12.	IL & Fs Securities Services Limited	26,515	0.16	-	0.00
13.	Nishith Ramesh Parikh	40,419	0.24	30	0.00
14.	HSE Securities Limited	23,062	0.14	-	0.00

*The shares of the Company are traded on daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 1, 2019		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding at the end of the year March 31, 2020	
		No of Shares	% of total shares of the Company			No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1.	Mr. Kamalaksha Naik, Executive Chairman	84,95,878	50.12					84,95,878	50.12
				13/11/2019	Tendering of Shares in Buyback	(19,07,763)	(0.59)		
				24/12/2019	Market Purchase	61,885	0.47		
	At the end of the year							66,50,000	50.00
2.	Ms. Arti Naik, Executive Director	16,95,006	10.00					16,95,006	10.00
				13/11/2019	Tendering of Shares in Buyback	(3,80,616)	(0.12)		
				19/12/2019	Market Purchase	15,610	0.12		
	At the end of the year							13,30,000	10.00

Form No. MGT. 9

v) Shareholding of Directors and Key Managerial Personnel: (contd.)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 1, 2019		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding at the end of the year March 31, 2020	
		No of Shares	% of total shares of the Company			No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
3.	Mr. Krishnanand Gaonkar, Independent, Non-Executive Director	23,319	0.14					23,319	0.14
				13/11/2019	Tendering of Shares in Buyback	(5,195)	(0.01)		
	At the end of the year			18/12/2019	Market Purchase	1,650	0.01	19,774	0.15
4	K. G. Prabhu, Chief Financial Officer	5	0.00					5	0.00
	At the end of the year							5	0.00

V. INDEBTEDNESS

As on 31st March, 2020, indebtedness of the Company including interest outstanding / accrued, but not due is nil.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELS

i. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Total Amount in Lakhs		
		Mr. K. R. Naik, Executive Chairman (Wholetime Director)	Ms. Arati Naik, Executive Director	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	29.78	29.78
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	**Nil**	**29.78**	**29.78**
	Ceiling as per the act			**75.00**

ii. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount in Lakhs
INDEPENDENT DIRECTORS							
		Krishnanand Gaonkar	**Pankaj Baliga**	**Bhanubhai Patel**	**Pradeep Pande**	**Pradeep Rane**	
1.	Fee for attending board/ committee meetings	6.60	7.10	5.50	3.00	6.50	28.70
2.	Commission					-	
3.	Others, please specify					-	
	Total (1)	**6.60**	**7.10**	**5.50**	**3.00**	**6.50**	**28.70**
OTHER NON-EXECUTIVE DIRECTORS							
1.	Fee for attending board/ committee meetings	-	-	-	-	-	-
2.	Commission	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	0
	Total (B) = (1 + 2)						**28.70**
	Total Managerial Remuneration						**Nil**
	Overall Ceiling as per the Act						**N.A**

iii. Remuneration To Key Managerial Personnel other than MD/MANAGER/WTD:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer, Mr. K. G. Prabhu	Company Secretary, Urjita Damle	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.74	12.60	49.34
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.29	0.43	1.72
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	**38.03**	**13.03**	**51.06**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year 2019-20, there were no penalties / punishment / compounding of offences under the Companies Act, 2013.

Annexure-H

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.	Particulars of Remuneration	Ratio of the remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Kamalaksha Naik - Executive Chairman & Promoter	Nil	Nil
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	8.40:1	N.A.
6.	Mr. Bhanubhai Patel - Independent Director	Nil	Nil
7.	Mr. Pradeep Pande - Independent Director	Nil	Nil
8.	Ms. Urjita Damle - Company Secretary	N.A.	Nil
9.	Mr. K. G. Prabhu - Chief Financial Officer	N.A.	16%

* Ms. Arati Naik appointed as Wholetime Director w.e.f. 1st April, 2019.

Notes:

- Mr. Krishnanand Gaonkar, Mr. Pradeep Rane, Mr. Pankaj Baliga, Mr. Bhanubhai Patel and Mr. Pradeep Pande were paid sitting fees for attending the Meetings.
- There was no Remuneration paid to Mr. Kamalaksha Naik, Executive Chairman during the Financial year ended 31st March, 2020 as well as for the previous financial year.

III. The percentage increase in the median remuneration of employees in 2019-20 is 20%.

IV. The number of permanent employees on the rolls of company; as on 31st March, 2020 were 27.

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Increase in Managerial remuneration is line with increase in the remuneration paid to the other employees of the Company.

Average percentile change in the salaries of employees other than Key Managerial Personnel is 8%.

VI. Affirmation that the remuneration is as per the remuneration policy of the company.

The Directors affirm that the remuneration is as per the remuneration policy.

Annexure - I

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

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

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

   The Company has also formulated a CSR Policy and the same is displayed on the website of the Company at: https://www.smartlinkholdings.com/wp-content/uploads/2018/02/3.-Corporate-Social-Responsibility-Policy.pdf

2. The Composition of the CSR Committee

   a. Mr. Bhanubhai Patel - Chairman

   b. Mr. K. R. Naik, Member

   c. Mr. Pankaj Baliga, Member

3. Average net profit of the company for last three financial years: ₹10,81,73,738/-

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹21,63,475 /-

5. Details of CSR spent during the financial year;

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where the projects or program was undertaken	Amount outlay (budget) project programs wise	Amount spent on the programs Sub-heads: (1) Direct Expenditure on projects or prograrns (2) Overheads	Cumulative expenditure Upto the reporting period	Amount Spent Direct or through implementing agency
1.	Samast Mahajan	Animal Welfare	Operational Area of Corporate Office, Mumbai	25,00,000	25,00,000	25,00,000	Implementing Agency
2.	Shree Jivdaya Mandal	Animal Welfare	Operational Area of Branch Office, Gujrat	15,00,000	15,00,000	15,00,000	Implementing Agency
3.	State(Goa) Relief Fund for COVID-19	Disaster Relief/ Management	Operational Area of Registered office, Goa	5,00,000	5,00,000	5,00,000	Implementing Agency
4.	Various Educational Institutes	Education	Operational Area of Registered office, Goa	8,74,560	8,74,560	8,74,560	Direct

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

   Not applicable

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

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

Mr. K. R. Naik
Executive Chairman

Date : 14th July, 2020
Place : Verna, Goa

Mr. Bhanubhai Patel
Chairman of CSR Committee

Date : 14th July, 2020
Place : Mumbai

Annexure-J

FORM NO. AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Amount in ₹

Sr. No	Particulars	Details	Details	Details
1.	Name of the subsidiary	Digisol Systems Limited	Synegra EMS Limited	Telesmart SCS Limited
2.	The date since when subsidiary was acquired	17th August, 2016	17th August, 2016	17th November, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share capital	4,10,00,000	4,50,00,000	3,60,00,000
6.	Reserves & surplus	(2,40,12,291)	(9,23,53,773)	(3,33,90,672)
7.	Total assets	24,78,68,703	12,16,97,207	4,08,79,647
8.	Total Liabilities	23,08,80,994	16,90,50,980	3,82,70,319
9.	Investments	-	-	-
10	Turnover	59,15,97,481	3,66,94,990	3,28,31,752
11	Loss before taxation	(8,76,49,124)	(4,38,90,277)	(1,44,11,317)
12	Provision for taxation	-	-	-
13	Loss after taxation	(8,76,49,124)	(4,38,90,277)	(1,44,11,317)
14	Other Comprehensive Income	8,75,372	6,10,686	87,843
15	Total Comprehensive Income for the year	(8,85,24,496)	(4,45,00,963)	(1,44,99,160)
16	Proposed Dividend	-	-	-
17	Extent of shareholding (In percentage)	100	100	80

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

Part "B": Associates and Joint Ventures

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

For and on behalf of the Board

Place : Verna, Goa
Date : 14th July, 2020

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure-K

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 arms's length basis: Smartlink Holdings Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2019-20. 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**

Place : Verna – Goa
Date : 14th July, 2020

K. R. Naik
Executive Chairman
DIN: 00002013

Independent Auditor's Report

TO THE MEMBERS OF SMARTLINK HOLDINGS LIMITED
(formerly known as Smartlink Network Systems 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 Standalone Balance Sheet as at March 31, 2020, and the Standalone Statement of Profit and Loss, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, 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

As mentioned in Note 48 to the accompanying Standalone Financial Statements, the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the standalone financial statements. However, the extent to which the COVID-19 pandemic will impact the Company's standalone financials will depend on future developments, which are currently not ascertainable.

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 of the 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.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Valuation of Investments:** Refer Note 5 to the standalone Financial Statements. The Company has adopted 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 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). As at March 2020, the Company has investments of ₹16,103.47 Lakhs in mutual funds, bonds and preference shares which constitutes about 84% of the total assets of the company. During the year, the Company has recognised ₹739.55 Lakhs as fair valuation gain in the statement of Profit and Loss and ₹33.70 lakhs as fair value loss in Other Comprehensive Income and ₹1,200.16 lakhs in Other Equity relating to the opening balance sheet adjustments in terms of Ind AS 109 "Financial Instruments". Due to significance of amount involved and valuation, classification and Ind AS transition adjustments, we have considered this as Key Audit Matter.	**Our audit procedure in respect of this area included:** • Obtained an understanding of the design, implementation and operating effectiveness of internal controls over the existence, valuation and classification of investments in mutual funds, bonds and preference shares; • Verification of de-mat account and statement of accounts in respect of mutual funds, bonds and preference shares to confirm existence of investments as on March 31, 2020. • Evaluating the basis of classification of investments into the various classes of financial instruments. • In respect of investments in bonds and mutual funds which are fair valued through profit or loss or other comprehensive income, performing independent price checks using data of external quoted prices and statement of Net Asset Value (NAV) from mutual funds. • Verification of gain/loss on disposal of investments recorded in the financial statements from the contract notes and other documents connected with disposal and the fair value of investment in the books as on the date of disposal. • Verified the completeness and accuracy of the disclosures, which are included in note 11 of the standalone financial statements.
2.	**Impairment of Investment in subsidiary:** Refer Note 11 in standalone financial statements. The Company has investments in subsidiaries at a gross value of ₹5,074.95 lakhs as on March 31, 2020. These investments are valued for at cost less provision for impairment. As at March 31, 2020, the Company has made a provision for impairment on investments in subsidiaries of ₹4,884.20 lakhs. Due to significance of the above matter and involvement of the management judgment we have considered this as a key audit matter.	**Our audit procedures in respect of this area included:** • Obtained an understanding of the design, implementation and operating effectiveness of internal controls over the valuation of investments in subsidiary companies; • Reviewed the financial statements of the subsidiaries and the future business plans/projections furnished by management; • Assessed the reliability and reasonableness of the management's estimates in the business projections which included specific risk factors by comparing the actual results of the current year to previous estimates. • Verified the completeness and accuracy of the disclosures, which are included in note 11 of the standalone financial statements.

Independent Auditor's Report

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3.	**Re-development & write-off of Building:** Refer to note 13 of the standalone Financial statements The Board of Directors of the Company at its meeting held on February 11, 2020 approved a proposal for re-development of own building at Mumbai. The original cost of the Building was ₹824.13 lakhs and the Written Down Value is ₹424.78 lakhs. The re-development proposal requires demolition of the existing building, and hence the WDV of ₹424.78 lakhs has been written off in books of account and disclosed as Exceptional Item in the statement of the profit and loss. Management's assessment of the demolition and re-development of the Building requires significant judgment and accordingly, it has been determined as a key audit matter.	**Our audit procedures in respect of write off of own building included the following:** • Obtained an understanding of the design, implementation and operating effectiveness of internal controls over the existence, ownership, completeness, accuracy, valuation and presentation of property, plant and equipment. • Verified the board minutes for approval of the proposal for re-development of the building. • Evaluation of appropriateness of the Company's judgment regarding write-off of the WDV of the existing building. • Verified the computation of the amount of loss incurred on account of such write off. • Verified the completeness and accuracy of the disclosures, which are included in note 13 of the standalone financial statements.

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 Directors' Report including Annexures, 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 included in the Statement is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended March 31, 2019 on which we issued an unmodified audit opinion vide our report dated May 15, 2019 on those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS which have also been audited by us.

Our opinion is not modified in respect of this matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

Independent Auditor's Report

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone financial statements;

ii. The Company did not have any long term contracts, including derivative contracts, for which there were material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADD5777

Place : Pune
Date : July 14, 2020

Annexure A to the Independent Auditor's Report

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to 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 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 the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADD5777

Place : Pune
Date : July 14, 2020

Annexure B to the Independent Auditor's Report

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets were physically verified by the management in the financial year in accordance with a planned programme of verifying them in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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 are held in the name of the Company. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone.

ii. The Company is an investment company, and consequently, does not hold any inventory. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and the records of the Company examined by us, as at March 31, 2020 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. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. 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 by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. 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) 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 financial statements as required by the applicable accounting standards.

xiv. 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 or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them under Section 192 of the Act. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-banking financial institution without accepting deposits vide certificate dated May 02, 2018.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADD5777

Place : Pune
Date : July 14, 2020

Annexure C to the Independent Auditor's Report

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to standalone financial statements of Smartlink Holdings Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 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 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 unauthorised 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.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, 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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADD5777

Place : Pune
Date : July 14, 2020

Balance Sheet as at 31st March, 2020

(Amount in INR, unless otherwise stated)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	6	522,868	4,057,521	22,226,899
Bank Balance other than cash and cash equivalents	7	7,613,312	45,692,776	7,523,606
Investments	11	1,629,422,831	2,391,095,237	3,364,883,700
Receivables				
(i) Other Receivables	8	8,958,014	3,458,842	1,443,078
Other Financial assets	9	3,862,448	3,580,840	3,190,203
Non-financial Assets				
Tax assets (Net)	10	11,745,761	3,300,030	4,456,296
Investment Property	12	135,369,831	30,449,104	32,049,095
Property, Plant and Equipment	13	125,020,288	163,697,586	170,163,586
Capital work-in-progress		20,771,658	-	-
Intangible assets	14	1,079,244	2,836,737	5,150,640
Other non-financial assets	15	4,702,916	7,705,067	2,527,219
Total Assets		**1,949,069,171**	**2,655,873,740**	**3,613,614,322**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	16			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,055,522	6,165,649	9,534,068
Borrowing (Other than debt securities)	17	31,673,310	14,020,562	15,474,443
Other financial liabilities	18	3,509,384	3,276,204	4,137,771
Non-Financial Liabilities				
Provisions	19	1,386,194	839,697	741,082
Deferred tax liabilities (Net)	20	28,018,835	43,148,373	45,892,917
Other non-financial liabilities	21	887,057	585,741	595,982
EQUITY				
Equity Share capital	22	26,600,000	33,900,000	45,100,000
Other Equity	23	1,849,938,869	2,553,937,514	3,492,138,059
Total Liabilities and Equity		**1,949,069,171**	**2,655,873,740**	**3,613,614,322**

See accompanying notes forming part of the Financial Statements 1-49

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

Particulars	Note No.	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
INCOME			
Revenue from operations			
Interest Income	24	57,968,284	83,153,841
Dividend Income		-	332,138
Rental Income		19,066,629	17,272,420
Fees and commission Income	25	590,543	537,277
Net gain on fair value changes	26	73,955,290	105,862,802
Total revenue from operations		**151,580,746**	**207,158,478**
Other Income	27	390,253	349,242
Total income		**151,970,999**	**207,507,720**
EXPENSES			
Finance costs	28	3,926,182	1,871,815
Impairment on financial instruments	29	123,568,939	369,515,631
Employee benefits expenses	30	28,946,140	20,550,394
Depreciation and amortisation expense	31	14,285,075	12,279,322
Others expenses	32	75,214,946	55,042,594
Total expenses		**245,941,282**	**459,259,756**
(Loss) before exceptional items and tax		**(93,970,283)**	**(251,752,036)**
Exceptional Items (Refer Note 13 (a))		42,477,982	-
(Loss) before tax		**(136,448,265)**	**(251,752,036)**
Tax Expense:			
- Current Tax		17,338,000	32,110,000
- Deferred Tax		(14,143,706)	(823,291)
- Taxes for earlier years		(8,226,038)	284,519
Total tax expense	33	(5,031,744)	31,571,228
(Loss) for the year		(131,416,521)	(283,323,264)
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		(546,599)	5,312
Income tax relating to above		137,568	(1,547)
Subtotal (A)		(409,031)	3,765
B. Items that will be reclassified to profit or loss			
Net fair value gain / (loss) on financial instruments		(3,370,404)	(1,673,006)
Income tax relating to above		848,263	1,922,795
Subtotal (B)		(2,522,141)	249,789
Other Comprehensive Income (A + B)		(2,931,172)	253,554
Total Comprehensive Income for the year		**(134,347,693)**	**(283,069,710)**
Basic and diluted Earnings per share			
(Nominal value per share ₹2)	34	(8.41)	(15.36)

See accompanying notes forming part of the Financial Statements 1-49

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

Cash Flow Statement for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Cash flow from operating activities		
Net (loss) before tax	(136,448,265)	(251,752,036)
Adjustments for:		
Depreciation and amortisation expense	14,285,075	12,279,322
Value of Building written off	42,477,982	-
Loss / (Profit) on Property, plant and equipment sold / written off (net)	252	(318,576)
Net gain on fair value changes	(73,955,290)	(105,862,802)
Impairment on financial instruments	123,568,939	369,515,631
EIR impact of security deposits and rent amortization	(105,009)	(56,304)
Sundry balances written off	-	76,635
Unrealised Foreign exchange difference (net)	(6,493)	(9,547)
Sundry balances written back	-	(49,091)
Finance costs	3,926,182	1,871,815
Guarantee commission	(590,543)	(537,277)
Operating profit before working capital changes	(26,847,170)	25,157,770
Changes in working capital		
Increase / (Decrease) in trade payables	889,873	(3,319,328)
Increase in Other financial liabilities	466,353	63,654
(Decrease) in Other non-financial liabilities	(245,283)	(4,929)
Increase in Provisions	546,497	98,615
Decrease in Investments	713,073,836	713,851,446
(Decrease) in Trade Receivables	(5,499,172)	(2,015,764)
(Decrease) in Other financial assets	(176,599)	(410,968)
(Decrease) in Other non-financial assets	(1,457,231)	(718,467)
Cash generated from operations	680,751,104	732,702,029
Income tax (paid)/ refund	(17,557,693)	(31,238,253)
Net cash flows from operating activities (A)	663,193,411	701,463,776
Cash flow from Investing activities		
Purchase of property, plant and equipment and investment property	(116,961,902)	(6,368,537)
Proceeds from Sale of property, plant and equipment and intangible assets	42,373	328,304
Investment in fixed deposit		
Placed	(119,200,000)	(243,276,766)
Redemption of fixed deposit	157,109,396	205,977,938
Net cash flow (used in) investing activities (B)	**(79,010,133)**	**(43,339,061)**
Cash flow from Financing activities		
Buyback of Company's equity shares	(474,500,000)	(672,000,000)
Tax on Buyback of Company's equity shares	(106,076,367)	-
Dividend paid	(232,630)	(977,944)
Interest payments	(1,758,379)	(656,023)
Cash Payment for the principal portion of lease payments	(5,157,048)	(2,669,673)
Net cash flows (used in) financing activities (C)	**(587,724,424)**	**(676,303,640)**
Net (Decrease) in cash and cash equivalents (A+B+C)	(3,541,146)	(18,178,925)
Cash and cash equivalents at the beginning of the year	4,057,521	22,226,899
Effect of exchange differences on restatement of foreign currency Cash and bank balance	6,493	9,547
Cash and cash equivalents at the end of the year	**522,868**	**4,057,521**
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	293,324	3,858,694
Cash on hand	229,544	198,827
Total cash and cash equivalents at end of the year	**522,868**	**4,057,521**
Non Cash Movement in Financing Activity		
Lease Liabilities	22,809,796	1,215,792

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

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening	33,900,000	45,100,000	45,100,000
Add : Issued during the year	-	-	-
Less: Bought back during the year	(7,300,000)	(11,200,000)	-
Closing	**26,600,000**	**33,900,000**	**45,100,000**

OTHER EQUITY

Particulars	Capital Contribution	Reserves and Surplus					FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Total
		Securities Premium	Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account			
Balance at 1 April 2018	-	278,614,693	22,003,927	14,909,700	556,720,271	2,617,941,463	-	1,948,005	3,492,138,059
Profit for the year	-	-	-	-	-	(283,323,264)	-	-	(283,323,264)
Other comprehensive income / (loss)	-	-	-	-	-	-	3,765	249,789	253,554
Total Comprehensive Income for the year	-	-	-	-	-	(283,323,264)	3,765	249,789	(283,069,710)
Buyback of equity shares	-	(278,614,693)	-	11,200,000	-	(393,385,307)	-	-	(660,800,000)
Change during the year	5,669,165	-	-	-	-	-	-	-	5,669,165
Balance at 31 March 2019	**5,669,165**	**-**	**22,003,927**	**26,109,700**	**556,720,271**	**1,941,232,892**	**3,765**	**2,197,794**	**2,553,937,514**

Particulars	Capital Contribution	Reserves and Surplus					FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Total
		Securities Premium	Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account			
Balance at 1 April 2019	5,669,165	-	22,003,927	26,109,700	556,720,271	1,941,232,892	3,765	2,197,794	2,553,937,514
Profit for the year	-	-	-	-	-	(131,416,521)	-	-	(131,416,521)
Other comprehensive income / (loss)	-	-	-	-	-	-	(409,031)	(2,522,141)	(2,931,172)
Total Comprehensive Income for the year	-	-	-	-	-	(131,416,521)	(409,031)	(2,522,141)	(134,347,693)
Buyback of equity shares	-	-	-	7,300,000	-	(474,500,000)	-	-	(467,200,000)
Tax on buyback of equity shares	-	-	-	-	-	(106,076,367)	-	-	(106,076,367)
Change during the year	3,625,415	-	-	-	-	-	-	-	3,625,415
Balance at 31 March 2020	**9,294,580**	**-**	**22,003,927**	**33,409,700**	**556,720,271**	**1,229,240,004**	**(405,266)**	**(324,347)**	**1,849,938,869**

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

NOTE 1: CORPORATE INFORMATION

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

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

The financial statements up to year ended 31st March, 2019 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (Previous GAAP).

These financial statements for the year ended 31st March, 2020 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

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) and all values are rounded to the nearest decimals, 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 recognised 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.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2018 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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)
Plant and Equipments	8
Furniture and Fixtures	8
Motor Vehicle	5
Office Equipments	5
Electrical Installations	10
Air Conditioners	10
Computer	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 the following 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.

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

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

2.3 Investment properties

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 recognised in profit or loss as incurred.

Investment properties are derecognised 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 recognised in profit or loss in the period of derecognition.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1st April, 2018.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1st April, 2018 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortised 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

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 categorised 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 financial statements

(Amount in INR, unless otherwise stated)

2.7 Revenue Recognition

(a) Recognition of interest income

The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

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.

(c) Minimum Alternate tax (MAT)

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2018 using the modified retrospective method and has taken the cumulative adjustment to Surplus in statement of profit and loss account, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. The Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of Surplus in statement of profit and loss account as on April 1, 2018.

As a lessor:

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

2.10 Impairment of non-financial assets

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

2.11 Provisions and contingent liabilities

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

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

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

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.

2.12 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.

2.13 Financial instruments

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

(a) Investment in subsidiary

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

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

(b) Other investments and financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

a) at amortised cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

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

Amortised 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 amortised cost. Interest income from these financial assets is included in finance 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 recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised 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 recognised in the profit and loss.

(iii) Impairment of financial assets

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

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

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

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised 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 derecognised 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 derecognised 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 derecognised.

(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 amortised cost, as appropriate.

All financial liabilities are recognised 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:

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

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 recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised 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 derecognised 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 recognised 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 recognised 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 recognised 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.

(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. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

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.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

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 decimals as per requirement of Schedule III of the Act, unless otherwise stated.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 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 cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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. All assumptions are reviewed at each reporting date.

(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 behavioral 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 behavior 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 amortised 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: STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate affairs ("MCA") notifies new standard or ammendments to the existing standards. There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2020.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 5: FIRST-TIME ADOPTION OF IND-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. The Accounting policies set out in note 2 have been applied in preparing the Financial Statements for the year ended March 31, 2020, the comparative information presented for the year ended March 31, 2019 and in the preparation of the opening Ind AS Balance Sheet as at April 1, 2018 (the Company's date of transition).

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also applicable for intangible assets covered by Ind AS 38. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(b) Investments in Subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment in subsidiaries as recognised in the financial statements at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

(c) Business Combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1st April, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2018 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) Effective interest rate used in calculation of security deposit and borrowings.

(iii) Lease accounting.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109 Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at 01 April 2018

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Adjustments	Ind AS
ASSETS					
Financial Assets					
Cash and cash equivalents		24,300,447	(2,073,548)	-	22,226,899
Bank Balance other than cash and cash equivalents		-	7,523,606	-	7,523,606
Investments	(i) (ii) & (iii)	3,207,695,107	37,173,005	120,015,588	3,364,883,700

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(a) **Reconciliation of equity as at 01 April 2018 *(contd.)***

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Adjustments	Ind AS
Other Receivables		-	-	1,443,078	1,443,078
Other Financial assets	(iv)	50,090,379	(45,150,282)	(1,749,894)	3,190,203
		3,282,085,933	(2,527,219)	119,708,772	3,399,267,486
Non-financial Assets					
Tax assets (Net)		8,604,863	(4,148,567)	-	4,456,296
Investment Property	(v)	-	-	32,049,095	32,049,095
Property, Plant and Equipment	(v)	185,910,620	-	(15,747,034)	170,163,586
Intangible assets		5,150,640	-	-	5,150,640
Other non-financial assets		-	2,527,219	-	2,527,219
		199,666,123	(1,621,348)	16,302,061	214,346,836
Total Assets		**3,481,752,056**	**(4,148,567)**	**136,010,833**	**3,613,614,322**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
Trade Payables		9,534,068	-	-	9,534,068
Borrowings	(v)	-	-	15,474,443	15,474,443
Other financial liabilities	(vii)	4,083,026	(339,925)	394,670	4,137,771
		13,617,094	(339,925)	15,869,113	29,146,282
Non-Financial Liabilities					
Current tax liabilities (Net)		4,148,567	(4,148,567)	-	-
Provisions	(vi)	726,717	-	14,365	741,082
Deferred tax liabilities (Net)	(viii)	11,611,505	-	34,281,412	45,892,917
Other non-financial liabilities		-	339,925	256,057	595,982
		16,486,789	(3,808,642)	34,551,834	47,229,981
EQUITY					
Equity Share capital		45,100,000	-	-	45,100,000
Other Equity	(ix)	3,406,548,173	-	85,589,886	3,492,138,059
		3,451,648,173	-	85,589,886	3,537,238,059
Total Liabilities and Equity		**3,481,752,056**	**(4,148,567)**	**136,010,833**	**3,613,614,322**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(b) **Reconciliation of equity as at date of transition 31 March 2019**

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Adjustments	Ind AS
ASSETS					
Financial Assets					
Cash and cash equivalents		43,429,892	(39,372,371)	-	4,057,521
Bank Balance other than cash and cash equivalents		11,130,738	34,538,695	23,343	45,692,776
Investments	(i) (ii) & (iii)	2,270,298,613	4,833,676	115,962,948	2,391,095,237
Other Receivables		-	-	3,458,842	3,458,842
Other Financial assets	(iv)	7,290,195	-	(3,709,355)	3,580,840
		2,332,149,438	-	115,735,778	2,447,885,216

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(b) Reconciliation of equity as at date of transition 31 March 2019 *(contd.)*

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Adjustments	Ind AS
Non-financial Assets					
Tax assets (Net)		8,320,345	(5,020,315)	-	3,300,030
Investment Property	(v)	-	-	30,449,104	30,449,104
Property, Plant and Equipment	(v)	179,952,861	-	(16,255,275)	163,697,586
Intangible assets		2,836,737	-	-	2,836,737
Other non-financial assets		7,705,067	-	-	7,705,067
		198,815,010	**(5,020,315)**	**14,193,829**	**207,988,524**
Total Assets		**2,530,964,448**	**(5,020,315)**	**129,929,607**	**2,655,873,740**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
Trade Payables		6,165,649	-	-	6,165,649
Borrowings	(v)	-	-	14,020,562	14,020,562
Other financial liabilities	(vii)	2,655,604	-	620,600	3,276,204
		8,821,253	**-**	**14,641,162**	**23,462,415**
Non-Financial Liabilities					
Current tax liabilities (Net)		5,020,315	(5,020,315)	-	-
Provisions	(vi)	839,697	-	-	839,697
Deferred tax liabilities (Net)	(viii)	13,397,943	-	29,750,430	43,148,373
Other non-financial liabilities		447,690	-	138,051	585,741
		19,705,645	(5,020,315)	29,888,481	44,573,811
EQUITY					
Equity Share capital		33,900,000	-	-	33,900,000
Other Equity	(ix)	2,468,537,550	-	85,399,964	2,553,937,514
		2,502,437,550	-	85,399,964	2,587,837,514
Total Liabilities and Equity		**2,530,964,448**	**(5,020,315)**	**129,929,607**	**2,655,873,740**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) Reconciliation of Total Comprehensive Income for the year ended March 2019

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Adjustments	Ind AS
Revenue from operations					
Interest Income		68,088,263	25,938	15,039,640	83,153,841
Dividend Income		2,381,868	-	(2,049,730)	332,138
Rental Income		-	17,154,414	118,006	17,272,420
Fees and commission Income	(vii)	-	-	537,277	537,277
Net gain on fair value changes		114,798,235	(4,012,604)	(4,922,829)	105,862,802
Total revenue from operations		185,268,366	13,167,748	8,722,364	207,158,478
Other income		17,532,243	(17,133,909)	(49,092)	349,242
Total income		**202,800,609**	**(3,966,161)**	**8,673,272**	**207,507,720**
Expenses					
Finance costs		497,182	-	1,374,633	1,871,815
Impairment on financial instruments		-	352,889,396	16,626,235	369,515,631

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(c) **Reconciliation of Total Comprehensive Income for the year ended March 2019 *(contd.)***

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Adjustments	Ind AS
Employee benefit expense	(vi)	20,547,730	(2,648)	5,312	20,550,394
Depreciation and amortization expense	(vi)	10,171,090	-	2,108,232	12,279,322
Other expenses		414,614,273	(356,852,909)	(2,718,770)	55,042,594
Total expenses		**445,830,275**	**(3,966,161)**	**17,395,642**	**459,259,756**
Profit /(Loss) before tax		**(243,029,666)**	**-**	**(8,722,370)**	**(251,752,036)**
Income tax expense					
Current tax		32,110,000	-	-	32,110,000
Deferred tax		1,786,438	-	(2,609,729)	(823,291)
Adjustment of Income tax of earlier year		284,519	-	-	284,519
Total income tax expense		**34,180,957**	**-**	**(2,609,729)**	**31,571,228**
Loss for the year		**(277,210,623)**	**-**	**6,112,641**	**(283,323,264)**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Re-measurement gains / (loss) on defined benefit plan		-	-	5,312	5,312
Income tax relating to above		-	-	(1,547)	(1,547)
Items that will be reclassified to profit or loss					
Net fair value gain / (loss) on financial instruments		-	-	(1,673,006)	(1,673,006)
Income tax relating to above		-	-	1,922,795	1,922,795
Other comprehensive income for the year		**-**	**-**	**253,554**	**253,554**
Total comprehensive income for the year		**(277,210,623)**	**-**	**6,366,195**	**(283,069,710)**

(d) **Reconciliation of Statement of Cashflow for the year ended 31st March, 2019**

Particulars	Indian GAAP*	Adjustments	Ind AS
Net cash flows (used in) / from operating activities	(98,622,522)	800,086,298	701,463,776
Net cash flows from / (used in) investing activities	753,918,723	(797,257,784)	(43,339,061)
Net Cash flows (used in) Financing Activities	**(673,475,126)**	**(2,828,514)**	**(676,303,640)**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(e) **Notes to first-time adoption**

(i) Fair Valuation of Bonds

Under Indian GAAP, the company has recognised investments in bonds at lower of cost and fair value. Under Ind AS, such bonds that are held for collection of contractual cashflows and for trading are measured at fair value through other Comprehensive Income (FVTOCI). At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes and subsequently in the other comprehensive income for the year ended 31 March 2019. Accordingly, this increased other equity by INR 17,31,996/- as at 31 March 2019 (1 April 2018 by INR 19,22,012/-).

(ii) Fair Valuation of Preference Shares

Under Indian GAAP, the company has recognised investments in preference shares at lower of cost and fair value. Under Ind AS, such investments are measured at fair value through other Comprehensive Income (FVTOCI). At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes and subsequently in the other comprehensive income for the year ended 31 March 2019. Accordingly, this decrease other equity by INR 19,81,786/- as at 31 March 2019 (1 April 2018 increased by INR 25,993/-).

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(iii) Fair Valuation of Mutual Funds

Under Indian GAAP, the Company has recognised investments in Mutual Funds and Equity Shares at lower of cost or fair value. Under Ind AS, such investments are measured at fair value through profit and loss account. On the transition date, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in Surplus in statement of profit and loss account.

Consequent to above, the total equity as at 31 March 2019 has been increased by INR 10,54,13,406/- and as at 1 April 2018 by INR 11,54,88,625/- and total comprehensive income has been decreased by INR 1,00,75,219/- for the year ended 31 March 2019.

(iv) Security deposit

a) Under Indian GAAP, interest-free security deposit given are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as Right-of-use asset.

b) Under Indian GAAP, interest-free security deposit taken are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as advance rent.

(v) Lease capitalised as per Ind AS 116

Under the Previous GAAP, office premises taken on lease (operating lease) were accounted as per Accouting for leases by charging the rent to the Statement of Profit and loss.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases prospectively. Accordingly, the Company has elected to use the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition of April 1, 2018 as the deemed cost of the right-of-use assets along with the value of the lease liability at the date of transition to the Ind AS.

(vi) Defined Employee Benefit

Both under Indian GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to Surplus in statement of profit and loss account through OCI.

(vii) Financial Guarantee

Financial guarantee have been recognised at fair value at the inception in accordance with Ind AS 109. Under Indian GAAP financial guarantee given was disclosed as contingent liability. On initial recognition financial guarantee is recognised by creating financial guarantee assets with corresponding financial guarantee liability.

Subsequent recognition:

a) Financial guarantee assets are amortised over the period of loan on straight line method as guarantee commission expenses and unamortised portion are classified as other current/non current assets.

b) Financial guarantee liability are measured at the higher of amount of impairment loss allowance as per Ind AS 109, and amount initially recognised less, where appropriate, cumulative amortization recognized. Financial guarantee liabilities are amortised at effective interest rate as guarantee commission income and unamortised portion are classified as other current/non current financial liability. Consequent to above, the total equity as at 31 March 2019 has been decreased by INR 1,98,822/- and as at 1 April 2018 by INR 146,099/- and comprehensive income has been decreased by INR 52,723/-.

(viii) Deferred tax

This amount pertains to deferred tax recognised on the adjustments made on transition to Ind AS.

(ix) Capital contribution from shareholder

Under Indian GAAP below market rate of interest loan to subsidiaries was not accounted for separately. Under Ind AS the benefit received by subsidiaries is shown as investment and the benefit given to company is recognised as Capital contribution.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 6: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Cash on hand	229,544	198,827	251,543
Balances with banks			
On current accounts	293,324	3,858,694	21,975,356
Total	**522,868**	**4,057,521**	**22,226,899**

NOTE 7: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
In Fixed deposit with maturity for more than 12 months*	5,764,856	43,441,622	5,164,855
Accured interest on fixed deposit	985,482	1,155,550	285,203
Unpaid dividend accounts	862,974	1,095,604	2,073,548
Total	**7,613,312**	**45,692,776**	**7,523,606**

*Includes ₹25,00,000/- (previous year ₹4,07,76,767/-; As at 1 April 2018 ₹25,00,000/-) held as margin money against bank guarantee.

NOTE 8: RECEIVABLES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Others Receivables			
Considered good (Refer Note 1 below)	8,958,014	3,458,842	1,443,078
From related parties (Note 1):			
Digisol Systems Limited	2,511,000	2,635,800	675,200
Synegra EMS Limited	4,541,004	501,786	501,786
Telesmart SCS Limited	1,384,158	230,693	230,693
Tanmatra Technologies Private Limited	147,500	29,500	-
	8,583,662	3,397,779	1,407,679
From others:	374,352	61,063	35,399
Total Receivables	**8,958,014**	**3,458,842**	**1,443,078**

NOTE 9: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Security Deposits (Gross)	4,486,646	4,073,346	3,912,043
Less: Provision for Security deposits	(798,635)	(798,635)	(798,635)
Security Deposits (Net)	3,688,011	3,274,711	3,113,408
Advance to employees	174,437	282,785	76,795
Interest accrued on security deposit	-	23,344	-
Total	**3,862,448**	**3,580,840**	**3,190,203**

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 10: TAX ASSETS (NET)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advance payment of taxes and tax deducted at source (net of provisions for taxation)	11,745,761	3,300,030	4,456,296
Total	**11,745,761**	**3,300,030**	**4,456,296**

NOTE 11: INVESTMENTS

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Investments measured at Cost			
Subsidiaries	507,495,247	503,279,827	234,065,500
Investments measured at amortised cost			
Debt securities	343,482,865	328,297,426	273,164,041
Debentures	-	-	254,438,356
Fixed Deposits	-	24,810,333	23,178,896
Investments measured at Fair Value through Profit or Loss			
Mutual funds	1,085,601,572	1,581,763,735	2,240,038,573
Investments measured at Fair Value through Other Comprehensive Income			
Debt securities	186,193,217	322,725,045	340,263,833
Total - Gross (A)	**2,122,772,901**	**2,760,876,366**	**3,365,149,199**
Less: Allowance for Impairment loss (B)	(493,350,070)	(369,781,131)	(265,500)
Total - Net (A)-(B)	**1,629,422,831**	**2,391,095,235**	**3,364,883,699**
Investments outside India	-	-	-
Investments in India	**1,629,422,831**	**2,391,095,235**	**3,364,883,699**

DETAILS OF INVESTMENTS -

(A) Non Current Investments

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
1. Investments measured at Cost							
Investments in Equity shares of subsidiaries (Unquoted): (Fully paid up)							
Digisol Systems Limited	1 (Previous years 10)	41,000,000	41,000,000	16,000,000	427,656,322	427,066,322	160,265,500
Synegra EMS Limited	10	4,500,000	4,500,000	4,500,000	50,184,506	46,559,085	45,000,000
Telesmart SCS Limited	10	2,880,000	2,880,000	2,880,000	29,654,419	29,654,420	28,800,000
Total - Gross					507,495,247	503,279,827	234,065,500
Less: Allowance for Impairment loss					(488,420,070)	(364,851,131)	(265,500)
Total - Net					**19,075,177**	**138,428,696**	**233,800,000**

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2. Investments measured at Amortised Cost							
Investments in bonds (Unquoted):							
Cholamandalam Perp NCD Series PDI 10 12.90%	500,000	40	40	40	24,179,205	24,172,137	24,172,137
Tata Power Company Limited 2072 - NCD 10.75%	1,000,000	55	55	55	59,017,192	59,000,993	59,000,993
Tata Steel Limited - NCD Perpetual 11.50%	1,000,000	30	30	30	32,994,740	32,975,836	32,985,288
Canara Bank BD Perpetual - 9.55%	1,000,000	10	10	10	10,058,357	10,058,357	10,058,357
ICICI BANK AT1 - BD 9.2%	1,000,000	50	50	50	50,184,088	50,171,486	50,184,088
State bank of Mysore Perpetual - BD 9.10%	1,000,000	-	10	10	-	10,964,507	10,964,507
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	1,000,000	30	30	30	32,097,534	32,090,301	32,090,301
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	1,000,000	30	30	30	32,101,027	32,094,041	32,094,041
HDFC Bank Limited Perpetual - BD 8.85%	1,000,000	20	20	20	21,614,329	21,614,329	21,614,329
Tata Motors Finance Limited Perpetual NCD -11.10%	1,000,000	30	30	-	34,282,644	34,273,521	-
Tata Capital Financial Services Ltd 8.70%	1,000	20,000	20,000	-	20,886,685	20,881,918	-
Bajaj Finance Ltd 2027 - NCD 8.15%	1,000,000	5	-	-	5,061,719	-	-
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	20,000	-	-	21,005,345	-	-
					343,482,865	328,297,426	273,164,041
Debentures (Unquoted)							
Digisol Systems Limited	100	-	-	2,500,000	-	-	254,438,356
					-	-	254,438,356
Fixed Deposits (Unquoted)							
Fixed Deposit with PNB Housing Finance Limited	-	-	-	-	-	24,810,333	23,178,896
					-	24,810,333	23,178,896
3. Investments measured at Fair Value through Profit or Loss							
Mutual funds (Unquoted)							
HDFC Mutual Fund							
HDFC Balance Advantage Fund -Regular Plan- Growth	10	80,070.844	230,913.644	-	12,029,924	46,428,190	-
HDFC Credit Risk Debt Fund -Growth (formerly known as HDFC Mutual Fund Corporate Debt Opportunities Fund - Regular Plan - Growth)	10	-	10,410,688.313	7,424,994.387	-	158,816,091	107,000,109

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
3. Investments measured at Fair Value through Profit or Loss *(contd.)*							
HDFC Liquid Fund-Direct Plan-Growth Option	10	-	8,809.828	-	-	32,405,063	
HDFC Regular Saving Fund - Growth	10	-	-	3,595,258.035	-	-	123,798,756
HDFC Short Term Debt Fund - Growth (formerly known as HDFC Mutual Fund Short Term Opportunities Fund - Growth)	10	-	-	2,011,527.260	-	-	38,570,432
HDFC Regular Saving Fund-Direct Plan-Growth Option	10	-	-	663,301.050	-	-	23,374,596
HDFC Banking & PSU Debt Fund-Direct Growth Option	10	-	-	2,602,051.856	-	-	36,919,473
HDFC Prudence Fund-Regular Plan-Growth	10	-	-	77,690.358	-	-	37,686,194
ICICI Mutual Fund							
ICICI Prudential Balanced Advantage Fund-Growth	10	2,378,364.858	2,378,364.858	2,106,654.922	72,706,614	84,051,414	69,751,344
ICICI Prudential Banking & PSU Debt Fund - Growth	10	1,036,185.396	-	-	24,000,437	-	
ICICI Prudential Credit Risk Fund-Growth (formerly known as ICICI Prudential Mutual Fund Regular Savings Fund -Regular Plan-Growth)	10	-	1,087,164.702	1,087,164.702	-	21,585,112	20,182,669
ICICI Prudential Credit Risk Fund - Direct Plan - Growth (formerly known as ICICI Prudential Mutual Fund Regular Saving Fund-Direct Plan- Growth)	10	-	2,059,707.942	1,034,040.617	-	43,284,350	20,124,188
ICICI Prudential Floating Interest Fund - Direct Plan - Growth	10	-	63,632.661	-	-	18,505,784	
ICICI Prudential Floating Interest Fund-Growth	10	-	286,376.167	-	-	79,630,673	
ICICI Prudential Liquid Plan-Growth	10	-	-	15,630.892	-		4,005,243
Kotak Mahindra Mutual Fund							
Kotak Credit Risk Fund - Growth - Direct (formerly known as Kotak Mutual Fund Income Opportunity Fund-Direct Plan-Growth)	10	-	495,091.508	495,091.508	-	10,662,984	9,938,219
Birla Sun Life Mutual Fund							
Birla Sun Life Banking & PSU DEBT Fund -Gr -Regular Plan	10	307,406.537	-	-	80,501,411	-	-
Birla Sun life Floating Rate Fund -Growth -Regular Plan	10	319,542.346	805,828.740	-	79,304,690	185,029,480	-
Birla Sunlife Short Term Opportunities Fund - Growth -Regular Plan	10	-	-	1,199,036.180	-	-	34,598,549

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
3. Investments measured at Fair Value through Profit or Loss *(contd.)*							
Birla Sun Life Medium Term Plan -Growth-Regular Plan	10	-	-	8,321,461.244	-	-	182,886,579
Birla Sun Life credit risk Fund - Growth-Regular (formerly known as Birla Sun Life Mutual Fund Corporate Bond Fund - Growth Regular)	10	-	-	8,002,321.144	-	-	103,554,837
Birla Sun Life Dynamic Bond Fund -Retail-Growth-Regular Plan	10	-	-	2,672,721.478	-	-	80,134,872
Birla Sun Life Liquid Fund- Growth - Direct Plan (formerly known as Birla Sun Life Mutual Fund Cash Plus - Growth - Direct Plan)	10	-	-	18,500.456	-	-	5,167,447
Birla Sun Life Banking & PSU Debt Fund Growth- Direct Plan	10	-	-	392,058.464	-	-	20,550,529
Nippon India Mutual Fund							
Nippon India Liquid Fund -Direct-Growth Plan-Growth (formerly known as Reliance Mutual Fund Liquid Fund-Direct- Growth Option)	1,000	-	18,854.704	4,470.418	-	86,013,065	18,950,744
Nippon India Credit Risk Fund - Direct Plan - Growth Plan (formerly known as Reliance Mutual Fund Credit Risk Fund-Direct Plan-Growth Plan)	10	-	3,232,715.865	3,232,715.865	-	87,915,648	81,836,849
Nippon India Low Duration Fund - Direct Growth Plan (formerly known as Reliance Mutual Fund Low Duration Fund-Direct Growth Plan)	10	-	4,548.484	-	-	12,009,811	-
Nippon India Dynamic Bond Fund-Growth Plan (formerly known as Reliance Mutual Fund Dynamic Bond Fund -Growth)	10	-	-	340,357.350	-	-	7,886,761
Nippon India Short Term Fund -Direct Growth Plan-Growth option (formerly known as Reliance Mutual Fund Short Term Fund-Direct Growth Plan-Growth Option)	10	-	-	4,090,502.486	-	-	137,709,220
Nippon India Prime Debt Fund - Growth Plan - Growth Option (formerly known as Reliance Mutual Fund Medium term Fund - Growth Plan- Growth Option)	10	-	-	4,973,980.224	-	-	181,155,344
Nippon India Strategic Debt fund - Direct Growth Plan (formerly known as Reliance Mutual Fund Corporate Bond Fund Direct Growth)	10	-	-	2,596,025.929	-	-	37,566,312
Nipppon India Liquid Fund - Treasury Plan - Growth Plan - Growth Option (formerly known as Reliance Mutual Fund Liquid Fund -Treasury Plan-Growth)	10	-	-	1,804.280	-	-	7,616,695

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
3. Investments measured at Fair Value through Profit or Loss *(contd.)*							
SBI Mutual fund							
SBI Short Term Debt Fund-Regular Plan-Growth	10	1,741,936.399	-	2,407,321.970	40,617,428	-	48,209,271
SBI Magnum Ultra Short Duration Fund Regular Growth	10	12,340.959	12,340.959	-	54,895,233	51,173,064	-
Franklin Templeton Mutual Fund							
Franklin India Ultra Short Bond Fund - Super Institutional Plan	10	2,396,689.196	-	-	65,922,614		
Franklin India Income Opportunities Fund - Growth	10	-	4,280,678.965	4,280,669.703	-	95,539,190	88,401,394
Franklin India Credit Risk Fund - Growth	10	-	5,912,490.949	5,912,490.949	-	115,760,660	106,679,665
Franklin India Short Term Income Plan - Retail Plan	10	-	21,776.152	21,776.152	-	87,045,142	79,924,129
Franklin India Short Term Income Plan -Direct -Retall Plan	10	-	18,692.012	18,692.012	-	78,425,877	71,462,153
Franklin India Low Duration Fund - Growth	10	-	4,698,933.391	-	-	102,154,812	-
Franklin India Banking and PSU Debt Fund - Direct - Growth	10	11,242,454.050	-	-	190,209,956	-	-
Franklin india liquid super institutional plan growth	1,000	25,937.976	-	-	77,047,147	-	-
Franklin India Short term Income Plan- Retail Plan- Segregated Portfolio 2 (10.90% Vodafone Idea Ltd 02Sep2023 (P/C 03Sep2021)-Growth Option)	10	21,776.152	-	-	-	-	-
Franklin India Ultra Short Bond Fund- Super Inst Plan- Segregated Portfolio 1 (8.25% Vodafone Idea Ltd- 10JUL20-Growth Option)	10	2,396,689.196	-	-	-	-	-
Franklin India Short-term Income Plan- Retail Plan - Segregated Portfolio 1 (8.25% Vodafone Idea Ltd- 10JUL20- Growth Option)	10	21,776.152	-	-	-	-	-
Invesco Mutual Fund							
Invesco India Ultra Short Term Fund Plan Growth (formerly known as Religare Mutual Fund Ultra Short Term Debt Fund-Direct-Growth)	10	10,022.335	10,022.335	10,022.335	20,429,097	19,125,560	17,771,449
Invesco India Short Term Fund - Direct Plan Growth (formerly known as Religare Mutual Fund Short Term Fund-Direct Plan Growth)	10	812.129	812.129	-	2,282,224	2,076,771	-
Invesco India Treasury Advantage Fund - Growth	10	4,359.096	-	-	12,161,866	-	-
Invesco India Ultra short Term Fund - Direct Plan Growth (formerly known as Religare Mutual Fund medium Term bond Fund-Direct Growth)	10			35,303.330			64,232,008

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
3. Investments measured at Fair Value through Profit or Loss *(contd.)*							
L & T Mutual Fund							
L&T Mutual Fund Low Duration Fund-Direct Plan-Growth	10	2,331,343.358	2,086,696.380	2,884,119.458	50,174,705	42,662,507	54,718,380
L & T Mutual Fund Triple Ace Bond Fund Direct Plan-Growth	10	748,456.718	211,941.640	-	41,364,733	10,263,020	
L & T Mutual Fund Money Market Fund -Direct Plan -Growth	10	-	-	2,203,392.004	-	-	38,567,513
IDFC Mutual Fund							
IDFC Mutual Fund Corporate Bond Fund Direct Plan-Growth	10	8,172,767.048	4,876,813.116	4,876,813.116	114,113,077	62,717,767	58,376,917
IDFC Mutual Fund Banking & PSU Debt Fund-Direct Plan-Growth	10	744,379.932	-	-	13,372,115	-	-
IDFC Mutual Fund Banking & PSU Debt Fund - Regular Plan - Growth	10	2,277,497.963	-	-	40,409,874	-	-
IDFC Mutual Fund Equity Savings Fund - Direct Plan - monthly dividend Payout (formerly known as IDFC Mutual Fund Arbitrage Plus Fund-Direct Plan-Dividend Payout)	10	-	-	687,307.989	-	-	8,479,800
IDFC Mutual Fund Money Manager Fund - Investment Plan - Growth -Regular Plan	10	-	-	668,527.826	-	-	17,962,273
Mahindra Mutual Fund							
Mahindra Liquid Fund- Direct -Growth	10	5,374.192	2,898.253	-	6,925,624	3,511,002	-
Mirae Mutual Fund							
Mirae Asset Cash Management Fund - Direct Plan Growth	10	4,875.248	3,866.954	-	10,211,799	7,623,732	-
LIC Mutual Fund							
LIC Mutual Fund Saving Fund - Direct Plan - Growth	10	2,498,222.036	-	-	76,921,006	-	-
BNP PARIBAS Mutual Fund							
BNP Paribas Liquid Fund Growth	10	-	13,077.803	-	-	37,346,967	-
BNP Paribas Flexi Debt Fund - Growth	10	-	-	1,531,473.657	-	-	45,407,428
BNP Paribas Medium Term Fund-Direct Plan-Growth (formerly known as BNP Paribas Medium Term Income fund -Direct Plan-Growth)	10	-	-	4,936,864.801	-	-	70,745,273
BNP Paribas Medium Term Fund-Growth (formerly known as BNP Paribas Medium Term Income Fund -Growth)	10	-	-	2,599,321.635	-	-	36,034,396
Edelweiss Mutual Fund							
Edelweiss Arbitrage Fund Dividend Option - Payout	10	-	-	1,936,145.908	-	-	20,265,639
Edelweiss Equity Savings Advantage Fund - Regular Plan Dividend - Payout	10	-	-	491,197.564	-	-	5,342,412

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
3. Investments measured at Fair Value through Profit or Loss *(contd.)*							
Edelweiss Equity Savings Advantage Fund - Direct Plan Dividend - Payout	10	-	-	1,418,003.278	-	-	16,492,513
					1,085,601,572	1,581,763,735	2,240,038,573
4. Investments measured at Fair Value through Other Comprehensive Income							
Debt Securities							
Bonds & debentures (Unquoted)							
Tata Steel Limited - NCD Perpetual 11.80%	1,000,000	55	55	55	58,034,776	57,674,911	59,416,211
LIC Housing Finance Limited 2020 - NCD 8.95%	1,000,000	10	10	10	10,594,105	10,549,245	10,618,055
Fullerton India Credit Company Limited 2019 - NCD 8.9%	1,000,000	-	-	50	-	-	52,342,276
LIC Housing Finance Limited 2019 - NCD 8.38 %	1,000,000	-	-	50	-	-	51,722,452
India Bulls Housing Finance Limited 2019 - NCD 9%	1,000,000	-	5	5	-	5,201,493	5,093,199
IDFC Bank Ltd 2020 - NCD 8.64%	1,000,000	17	17	17	18,410,830	18,395,744	18,601,065
CFHL (Series 8) - NCD 8.85%	1,000,000	-	12	-	-	12,138,079	-
Can Fin Home Finance 2020 7.68%	1,000,000	14	14	-	13,752,810	13,749,864	-
HDFC Ltd - NCD 10.98%	10,000,000	5	5	-	55,803,101	56,706,460	-
Bajaj Finance Ltd 01/06/2020 - NCD 9.5%	1,000,000	5	-	-	5,417,595	-	-
IDFC Bank Ltd 2020 - NCD 8.63%	1,000,000	-	5	5	-	5,032,300	5,072,725
L&T Housing and Finance Limited JULY 2019 - NCD 8.70%	2,500,000	-	20	20	-	53,004,552	52,999,452
Edelweiss Asset Reconstruction Company 2019 - NCD 10.25%	100,000	-	500	500	-	63,842,397	58,717,398
					162,013,217	296,295,045	314,582,833
Preference Shares (Unquoted)							
L & T Finance Holding Ltd.- Preference Shares - 8.15%	100	200,000	200,000	200,000	19,250,000	21,500,000	20,326,000
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	340	340	340	4,930,000	4,930,000	5,355,000
Total - Gross					24,180,000	26,430,000	25,681,000
Less: Allowance for Impairment loss					(4,930,000)	(4,930,000)	-
Total - Net					19,250,000	21,500,000	25,681,000
Total Investments- Gross					2,122,772,901	2,760,876,366	3,365,149,199
Total Impairment					(493,350,070)	(369,781,131)	(265,500)
Total Investments- Net					1,629,422,831	2,391,095,235	3,364,883,699

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 12: INVESTMENT PROPERTY

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land	13,971,967	64,794,716	-	78,766,683	1,578,027	955,703	-	2,533,730	76,232,953	12,393,940
Building	47,182,796	43,253,113	-	90,435,909	29,127,632	2,171,399	-	31,299,031	59,136,878	18,055,164
Total	**61,154,763**	**108,047,829**	**-**	**169,202,592**	**30,705,659**	**3,127,102**	**-**	**33,832,761**	**135,369,831**	**30,449,104**

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018
Land	13,971,967	-	-	13,971,967	1,419,465	158,562	-	1,578,027	12,393,940	12,552,502
Building	47,182,796	-	-	47,182,796	27,686,203	1,441,429	-	29,127,632	18,055,164	19,496,593
Total	**61,154,763**	**-**	**-**	**61,154,763**	**29,105,668**	**1,599,991**	**-**	**30,705,659**	**30,449,104**	**32,049,095**

Note:

(a) Investment property has been carried at the cost less accumulated depreciation as at 1 April 2018, as the cost and depreciation determined under the previous GAAP, in case of the Company, is in line with the principles of Ind AS 40.

(b) Includes asset given on operating lease - gross value - on 31st March 2020: ₹16,92,02,592/- (31st March 2019: ₹6,11,54,763/-, 1st April 2018: ₹6,11,54,763/), - written down value on 31st March 2020: ₹13,53,69,831/- (31st March 2019: ₹3,04,49,104/- 1 April 2018: ₹3,20,49,095/-)

(c) ₹1,55,61,994 (Previous Year ₹1,52,76,670) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land-Freehold	23,628,792	-	-	23,628,792	8,791,000	-	-	8,791,000	14,837,792	14,837,792
Buildings-Own Use	210,933,261	-	67,807,227	143,126,034	76,050,281	4,446,387	25,329,245	55,167,423	87,958,611	134,882,980
Furniture and Fixtures	20,449,861	27,032	475,760	20,001,133	20,267,094	89,503	460,936	19,895,661	105,472	182,767
Vehicles	3,392,640	-	-	3,392,640	1,314,734	522,479		1,837,213	1,555,427	2,077,906
Office Equipment	11,850,455	135,826	-	11,986,281	11,745,306	66,606		11,811,912	174,369	105,149
Electrical installations	39,240,380	293,573	10,000	39,523,953	38,987,136	106,266	10,000	39,083,402	440,551	253,244
Air conditioners	34,870,774	260,693	332,450	34,799,017	32,201,720	610,650	304,649	32,507,721	2,291,296	2,669,054
Computers	15,907,251	-	1,505,590	14,401,661	15,907,251	-	1,505,590	14,401,661	-	-
Right-of-use assets	11,083,508	12,526,665	-	23,610,173	2,394,814	3,558,589	-	5,953,403	17,656,770	8,688,694
Total	**371,356,922**	**13,243,789**	**70,131,027**	**314,469,684**	**207,659,336**	**9,400,480**	**27,610,420**	**189,449,396**	**125,020,288**	**163,697,586**

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 13: PROPERTY, PLANT AND EQUIPMENT *(Contd,)*

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018 (Deemed cost)
Land-Freehold	23,628,792	-	-	23,628,792	8,791,000	-	-	8,791,000	14,837,792	14,837,792
Buildings-Own Use	210,933,261	-	-	210,933,261	71,301,383	4,748,898	-	76,050,281	134,882,980	139,631,878
Furniture and Fixtures	20,449,861	-	-	20,449,861	20,109,009	158,085	-	20,267,094	182,767	340,852
Vehicles	2,821,762	1,875,236	1,304,358	3,392,640	2,293,397	325,695	1,304,358	1,314,734	2,077,906	528,365
Office Equipment	11,826,726	33,920	10,191	11,850,455	11,670,732	75,037	463	11,745,306	105,149	155,994
Electrical installations	39,240,380	-	-	39,240,380	38,636,971	350,165	-	38,987,136	253,244	603,409
Air conditioners	34,870,774	-	-	34,870,774	31,548,004	653,716	-	32,201,720	2,669,054	3,322,770
Computers	15,907,251	-	-	15,907,251	15,891,023	16,228	-	15,907,251	-	16,228
Right-of-use assets	11,083,508	-	-	11,083,508	357,210	2,037,604	-	2,394,814	8,688,694	10,726,298
Total	**370,762,315**	**1,909,156**	**1,314,549**	**371,356,922**	**200,598,729**	**8,365,428**	**1,304,821**	**207,659,336**	**163,697,586**	**170,163,586**

Footnote:-

(a) During the year the Board of Directors at its meeting held on 11th February, 2020 have approved a proposal for re-development of the Company's own building at Mumbai, which requires demolition of the existing building, and hence its written down value of ₹4,24,77,982/- has been written off in the books and disclosed as exceptional items for the year ended 31st March, 2020.

(b) The Company has elected to continue with carrying value for all of its Property, plant and equipment as recognised in its Indian GAAP financial statements, as its deemed cost at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1st April, 2018.

NOTE 14: INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer Software	36,961,411	-	7,648,573	29,312,838	34,124,674	1,757,493	7,648,573	28,233,594	1,079,244	2,836,737
Total	**36,961,411**	**-**	**7,648,573**	**29,312,838**	**34,124,674**	**1,757,493**	**7,648,573**	**28,233,594**	**1,079,244**	**2,836,737**

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018 (Deemed cost)
Computer Software	36,961,411			36,961,411	31,810,771	2,313,903	-	34,124,674	2,836,737	5,150,640
Total	**36,961,411**	**-**	**-**	**36,961,411**	**31,810,771**	**2,313,903**	**-**	**34,124,674**	**2,836,737**	**5,150,640**

Note:

The Company has elected to continue with carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements, as its deemed cost at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1st April, 2018.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 15: OTHER NON FINANCIAL ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Prepaid expenses	1,919,515	1,338,207	1,138,986
Advance to vendor	1,009,309	707,133	675,544
Balance with government authorities	1,774,092	1,200,346	712,689
Capital Advance	-	4,459,381	-
Total	**4,702,916**	**7,705,067**	**2,527,219**

NOTE 16: TRADE PAYABLES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,055,522	6,165,649	9,534,068
Total	**7,055,522**	**6,165,649**	**9,534,068**

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.

NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Borrowing measured at amortised cost			
Unsecured			
Lease liabilities	31,673,310	14,020,562	15,474,443
Total	**31,673,310**	**14,020,562**	**15,474,443**

NOTE 18: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Deposits	1,774,368	1,412,669	1,393,000
Unpaid dividend*	862,974	1,095,604	2,073,548
Financial Guarantee Obligation	198,279	198,822	146,099
Asset Retirment Obligation	673,763	569,109	525,124
Total	**3,509,384**	**3,276,204**	**4,137,771**

* During the year ₹2,27,230/- (Previous year ₹9,67,482/-) was transferred to the Investor Protection and Education Fund

NOTE 19: PROVISIONS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Provision for gratuity (funded)	674,417	407,789	306,526
Provision for leave encashment (unfunded)	711,777	431,908	434,556
Total	**1,386,194**	**839,697**	**741,082**

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 20: DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(A) Deferred tax relates to the following:			
Deferred tax assets			
On account of timing difference in retiral and other employee benefits	348,877	1,225,020	2,176,803
On account of fair value of financial assets designated at FVTOCI	1,437,972	1,486,456	(947,728)
Provision for doubtful debts	201,000	232,563	232,563
Others	70,071	34,944	224,053
	2,057,920	2,978,983	1,685,691
Deferred tax liabilities			
On property, plant and equipment	13,711,542	14,890,470	14,243,639
On account of fair value of financial assets designated at FVTPL	16,365,213	31,201,496	33,298,382
Other temporary differences	-	35,390	36,587
	30,076,755	46,127,356	47,578,608
Deferred tax liability (Net)	**28,018,835**	**43,148,373**	**45,892,917**

Particulars	Amount
(B) Reconciliation of deferred tax assets/ (liabilities) (net):	
Opening balance as of 1 April, 2018	(45,892,917)
Tax assets / (liabilities) recognised in Statement of Profit and Loss	823,291
Tax assets / (liabilities) recognised in OCI	
On re-measurements gain/(losses) of post-employment benefit obligations	(1,547)
Tax assets / (liabilities) recognised directly in equity	
On convertible preference shares	1,922,795
Closing balance as at 31 March, 2019	(43,148,373)
Tax assets / (liabilities) recognised in Statement of Profit and Loss	14,143,706
Tax assets / (liabilities) recognised in OCI	
On re-measurements gain/(losses) of post-employment benefit obligations	137,568
Tax assets / (liabilities) recognised directly in equity	
On convertible preference shares	848,263
Closing balance as at 31 March, 2020	**(28,018,835)**

NOTE 21: OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Statutory dues payable	625,125	447,690	339,925
Advance rent income	61,932	138,051	256,057
Other payables	200,000	-	-
Total	**887,057**	**585,741**	**595,982**

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 22: EQUITY SHARE CAPITAL

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised			
35,000,000 Equity Shares of ₹2/- each	70,000,000	70,000,000	70,000,000
	70,000,000	**70,000,000**	**70,000,000**
Issued, Subscribed and paid up			
16,950,000 (Previous year 22,550,000; As at 01 April 2018 22,550,000) Equity Shares of ₹2/- each, fully paid-up	33,900,000	45,100,000	45,100,000
Less: 36,50,000 (Previous Year:56,00,000) Equity Shares purchased under Buy-back scheme	7,300,000	11,200,000	-
Total	**26,600,000**	**33,900,000**	**45,100,000**

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Outstanding at the beginning of the year	16,950,000	22,550,000	22,550,000
Add: Issued during the year	-	-	-
Less: Buyback during the year	(3,650,000)	(5,600,000)	-
Outstanding at the end of the year	**13,300,000**	**16,950,000**	**22,550,000**

The Board of Directors of the Company at its meeting held on 14th June, 2019 and 31st July, 2019 and the Shareholders of the Company through postal ballot on 30th July, 2019 had approved the proposal of the Company to buy-back upto 36,50,000 fully paid-up equity shares of ₹2/- each at a price of ₹130/- per share (aggregating to 19.65% of the fully paid-up Equity Share Capital and Free Reserves of the Company), payable in cash for an agreetate amount not exceeding ₹47,45,00,000/- from the existing shareholders of the Company under Tender Offer Mechanism. The offer was kept open from 18th October, 2019 to 04th November, 2019. The Company had bought back 36,50,000 Equity Shares and the shares were extinguished on 19th November, 2019.

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹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 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	6,650,000	50.00%	8,495,878	50.12%	11,488,272	50.95%
Ms. Arati K. Naik	1,330,000	10.00%	1,695,006	10.00%	2,255,000	10.00%
Mrs. Lakshana A. Sharma	1,130,500	8.50%	1,300,874	7.67%	1,664,486	7.38%
Mrs. Sudha K. Naik	665,000	5.00%	847,540	5.00%	1,127,500	5.00%

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and 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 oustanding
31.03.2020	3,650,000	13,300,000
31.03.2019	5,600,000	16,950,000
31.03.2018	-	22,550,000
31.03.2017	7,454,850	22,550,000
31.03.2016	-	30,004,850

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 23: OTHER EQUITY

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
General Reserve	556,720,271	556,720,271	556,720,271
Securities premium Reserve	-	-	278,614,693
Surplus in statement of profit and loss account	1,229,240,004	1,941,232,892	2,617,941,463
Statutory Reserve	22,003,927	22,003,927	22,003,927
Capital Contribution	9,294,580	5,669,165	-
Capital Redemption Reserve	33,409,700	26,109,700	14,909,700
FVTOCI Reserve on Financial Instruments	(324,347)	2,197,794	1,948,005
FVTOCI Reserve on defined benefit plans	(405,266)	3,765	-
Total	**1,849,938,869**	**2,553,937,514**	**3,492,138,059**

(A) General Reserve (GR)*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	556,720,271	556,720,271	
Add: Transfer from Surplus in Profit and Loss account	-	-	
Closing balance	**556,720,271**	**556,720,271**	**556,720,271**

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

(B) Securities Premium Reserve (SPR)*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	-	278,614,693	
Add : Securities premium credited on share issue	-	-	
Less: Amount utilised towards purchase of shares under buyback scheme	-	(278,614,693)	
Closing balance	**-**	**-**	**278,614,693**

* Securities premium is used to record the premium on issue of shares. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	1,941,232,892	2,617,941,463	
Add: Net profit / (loss) for the year	(131,416,521)	(283,323,264)	
Amount available for appropriations	1,809,816,371	2,334,618,199	
Less: Appropriations			
Less: Paid to Shareholders for purchase of shares under buyback scheme	(474,500,000)	(393,385,307)	
Less: Buyback Tax	(106,076,367)	-	
Closing balance	**1,229,240,004**	**1,941,232,892**	**2,617,941,463**

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	22,003,927	22,003,927	-
Add: Transfer from surplus in statement of profit and loss account	-	-	-
Closing balance	**22,003,927**	**22,003,927**	**22,003,927**

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

(E) Capital Contribution*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	5,669,165	-	-
Add / (less): Change during the year	3,625,415	5,669,165	-
Closing balance	**9,294,580**	**5,669,165**	**-**

*Under Indian GAAP below market rate of interst loan to subsidiaries was not accounted for seperately. Under Ind AS the benefit received by subsidiaries is shown as investment and the benefit given to company is recognised as Capital contribution.

(F) Capital Redemption Reserve*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	26,109,700	14,909,700	
Add: 3,650,000 Equity Shares (Previous year 5,600,000) of ₹2/- each purchased under buyback scheme	7,300,000	11,200,000	
Closing balance	**33,409,700**	**26,109,700**	**14,909,700**

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

(G) FVTOCI Reserve on financial instruments*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	2,197,794	1,948,005	
Add / (less): Change during the year	(2,522,141)	249,789	
Closing balance	**(324,347)**	**2,197,794**	**1,948,005**

*The Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. 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.

(H) FVTOCI Reserve on defined benefit plans*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	3,765	-	
Add / (less): Change during the year	(409,031)	3,765	
Closing balance	**(405,266)**	**3,765**	**-**

*Under Ind AS, remeasurements i.e acturial 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. Under the previous GAAP , these remeasurment were forming part of the statement of profit and loss for the year.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 24: INTEREST INCOME

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On financial assets measured at FVTOCI		
Interest on bonds	20,779,118	28,949,835
Interest on preference shares	2,049,866	2,028,175
	22,828,984	30,978,010
On financial assets measured at amortised cost		
Interest on bonds	31,507,461	29,253,913
Interest on deposits with banks	1,577,058	3,068,224
Interest on deposits with financial institutions	1,582,935	1,829,990
Interest income on debentures	-	17,941,462
Other interest income	471,846	82,242
	35,139,300	52,175,831
Total	**57,968,284**	**83,153,841**

NOTE 25: FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Guarantee Commission Income	590,543	537,277
Total	**590,543**	**537,277**

NOTE 26: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES*

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On financial instruments designated at fair value through profit or loss	73,955,290	105,862,802
Total	**73,955,290**	**105,862,802**
Fair Value changes:		
- Realised	113,853,261	114,692,890
- Unrealised	(39,897,971)	(8,830,088)

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

NOTE 27: OTHER INCOME

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Miscellaneous Income	254,514	-
Profit on Property, plant and equipment sold / written off (net)	-	318,576
Foreign Exchange gain - (net)	12,689	9,546
Sale of Scrap	123,050	21,120
Total	**390,253**	**349,242**

NOTE 28: FINANCE COSTS

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On Financial liabilities measured at Amortised Cost		
Interest on deposits	141,545	114,856
Interest on borrowings	2,167,803	1,215,792
Other interest expense	1,616,834	541,167
Total	**3,926,182**	**1,871,815**

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 29: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On Financial instruments measured at FVTOCI		
Investment in Preference Shares	-	4,930,000
On Financial instruments measured at cost		
Impairment of investment in subsidiary	123,568,939	364,585,631
Total	**123,568,939**	**369,515,631**

NOTE 30: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Salaries and wages	26,985,861	18,965,642
Contribution to provident and other funds	893,600	690,668
Gratuity expenses (Refer Note 37)	249,613	212,587
Staff welfare expenses	817,066	681,497
Total	**28,946,140**	**20,550,394**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Depreciation on property, plant and equipment	9,400,480	8,365,428
Amortization on Intangible Assets	1,757,493	2,313,903
Depreciation on Investment Property	3,127,102	1,599,991
Total	**14,285,075**	**12,279,322**

NOTE 32: OTHER EXPENSES

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Rent, Rate and taxes	3,752,364	4,593,020
Repairs and maintenance	3,577,958	4,231,494
Communication Expenses	741,897	1,138,036
Printing and stationery Expenses	517,435	275,176
Advertisement Expenses	2,612,623	1,658,507
Director's fees	3,128,300	3,073,800
Auditor's fees and Expenses (Refer footnote)	1,075,196	1,045,030
Legal and Professional charges (Refer footnote)	16,767,493	19,529,135
Insurance	1,008,031	961,447
Excise Duty paid (Refer Note 35)	18,449,072	-
Annual maintenance expense	2,516,790	1,440,780
Software connectivity license/maintenance expenses	1,370,069	942,838
Travelling and conveyance expenses	3,860,303	4,322,374
Power and Fuel expenses	5,648,915	2,368,876
Membership and subscription fees	56,288	159,376
Loss on sale/write off of Property, Plant and Equipment	252	-
Sundry balance written off (net)	-	27,544
Office Expenses	802,270	812,890

Notes forming part of the financial statements

NOTE 32: OTHER EXPENSES *(contd.)*

(Amount in INR, unless otherwise stated)

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Application, Registration & Filing Fees	2,395,639	3,420,154
Expenditure on Corporate Social responsibility (Refer Note 46)	5,374,560	1,998,727
Miscellaneous Expenses	1,538,497	2,957,027
Bank charges	20,994	86,363
Total	**75,214,946**	**55,042,594**

*** Payment to Auditors**

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Charged to Auditor's fees and Expenses:		
Statutory audit fees including GST expensed	981,000	1,036,800
Reimbursement of expenses including GST expensed	94,196	8,230
	1,075,196	**1,045,030**
Charged to Legal and Professional fees:		
Other certification fees including GST charged expensed	196,200	-
Total	**1,271,396**	**1,045,030**

NOTE 33: INCOME TAX EXPENSE

(Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20th September, 2019, the Company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year)

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
A. Tax expense		
- Current tax	17,338,000	32,110,000
- Adjustments in respect of current income tax of previous year	(8,226,038)	284,519
- Deferred tax charge / (credit)	(14,143,706)	(823,291)
Income tax expense reported in the statement of profit or loss	(5,031,744)	31,571,228
B. Income tax expense charged to OCI		
Unrealised (gain)/loss on FVTOCI debt securities	848,263	1,922,795
Net loss/(gain) on remeasurements of defined benefit plans	137,568	(1,547)
Income tax charged to OCI	985,831	1,921,248
C. Reconciliation of tax expenses and the accounting profit multiplied by Statutory tax rate		
Profit before tax	(136,448,265)	(251,752,036)
Income tax expense at applicable tax rate 25.17% (Previous year 29.12%)	(34,344,028)	(73,310,193)
Tax effect of amounts which are not deductible in calculating taxable income		
- Corporate social responsibility expenditure	723,386	356,349
- Disallowance under section 14A	1,403,851	1,711,521
- Write-down of assets	10,691,713	-
- Permanent Diminution	31,121,222	101,274,936
- Others	(135,730)	1,947,696
Tax effect of amounts which are deductible in calculating taxable income		
- Dividend Income	(410,271)	(693,600)
Impact due to change in tax rates	(5,855,849)	-
Adjustment of current tax relating to previous years	(8,226,038)	284,519
Income tax expense	(5,031,744)	31,571,228

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 34: 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 31 March, 2020	For the Year Ended 31 March, 2019
Ordinary equity shareholders		
(Loss) attributable to ordinary equity holders	(131,416,521)	(283,323,264)
Weighted average number of equity shares	15,623,634	18,449,589
Face Value per share	2	2
Basic earnings per share (INR)	(8.41)	(15.36)
Diluted earnings per share (INR)	(8.41)	(15.36)

NOTE 35: CONTINGENT LIABILITIES

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
1. Disputed demand of Value Added Tax at Dharamtala Circle, Kolkata. During the previous year, INR 1,196,249/- amounting to 35% of the tax demand was paid as a settlement under West Bengal Sales Tax (Settlement of Dispute) Act, 1999	-	-	5,107,661
2. Disputed demand of excise duty in connection with valuation of products manufactured by the Company pending before CESTAT During the year, the Company has incurred a one time expense of INR 1,84,49,072/- included in other expenses (Note 32) towards settlement of the disputed excise duty liabilities under the Sabka Vishwas legacy dispute resolution scheme rules 2019 announced by the Govt of India.	-	27,315,672	27,315,672
3. Disputed penalty demands of Excise Authorities with regard to (2) above, pending before the CESTAT.	-	39,078,633	39,078,633
4. Disputed demand of Maharashtra Value Added Tax pending with Deputy Commissioner of Sales Tax, Mumbai.	-	266,140	-
5. Corporate guarantees given in favour of banks on behalf of Digisol Systems Limited (Wholly owned subsidiary)			
HDFC Bank Limited	200,000,000	200,000,000	40,000,000
Kotak Mahindra Bank	-	-	50,000,000
Total	**200,000,000**	**266,660,445**	**161,501,966**

NOTE 36: CAPITAL AND OTHER COMMITMENTS

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Estimated amount of contracts remaining to be executed on capital account	27,504,000	92,500,000	92,500,000
Non-cancellation lease liabilities (Refer Note 38)	109,058,779	49,844,295	52,514,067

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 37: EMPLOYEE BENEFITS

(A) Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss –

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Employers' Contribution to Provident Fund, Pension Scheme and Employee State Insurance (Refer note 30)	893,600	690,668

(B) Defined benefit plans

a) Gratuity payable to employees

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
i) Actuarial assumptions			
Discount rate (per annum)	6.62%	7.60%	7.42%
Rate of increase in Salary	5.00%	5.00%	5.00%
Expected average remaining working lives of employees (years)	11.8	11.9	12.18
Attrition rate	PS: 0 to 5 : 9% PS: 5 to 40 : 0%	PS: 0 to 5 : 9% PS: 5 to 40 : 0%	PS: 0 to 5 : 9% PS: 5 to 40 : 0%
Mortality	IALM (2012-14) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult
ii) Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	1,976,388	1,683,120	1,604,638
Interest cost	149,690	124,888	35,773
Past service cost	-	-	-
Current service cost	228,140	194,005	189,681
Curtailments	-	-	-
Settlements	-	-	-
Benefits paid	(47,022)	-	(2,139,841)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	273,588	(31,981)	(237,261)
Actuarial (gain)/ loss on obligations - Due to experience	282,677	6,356	2,230,130
Present value of obligation at the end of the year	2,863,461	1,976,388	1,683,120
iii) Change in the fair value of plan assets:			
Opening fair value of plan assets	1,568,599	1,376,594	922,842
Adjustment to Opening Fair Value of Plan Asset	28,251	6,188	9,556
Expected return on plan assets	128,217	106,306	74,430
Contributions by employer	501,332	99,824	2,500,149
Benefits paid	(47,022)	-	(2,139,841)
Return on plan assets excluding interest income	9,666	(20,313)	9,458
Closing fair value of plan assets	**2,189,043**	**1,568,599**	**1,376,594**

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

iv) Expense recognised in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Current service cost	228,140	194,005
Past service cost	-	-
Interest cost	21,473	18,582
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	-	-
Total expenses recognised in the Statement of Profit and Loss*	**249,613**	**212,587**

*Included in Employee benefits expense (Refer Note 30). Actuarial loss of INR 546,599/- (31st March, 2019: gain of INR 5312/-) is included in other comprehensive income.

v) Expense recognised in Other comprehensive income

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Actuarial (gain) / loss on Obligation for the period	556,265	(25,625)
Return on plan assets excluding interest income	(9,666)	20,313
Net actuarial (gains) / losses recognised in OCI	**546,599**	**(5,312)**

vi) Assets and liabilities recognised in the Balance Sheet:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Present value of obligation as at the end of the year	2,863,461	1,976,388	1,683,120
Fair Value of Plan Assets at the end of the year	2,189,043	1,568,599	1,376,594
Funded Status (Surplus / (Deficit))	(674,418)	(407,789)	(306,526)
Net asset / (liability) recognised in Balance Sheet*	**(674,418)**	**(407,789)**	**(306,526)**

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

vii) Expected contribution to the fund in the next year INR 2,59,768/-

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

Impact on Present Value obligation	For the Year Ended 31 March, 2020		For the Year Ended 31 March, 2029	
	+1%	-1%	+1%	-1%
Change in discount rate	2,584,718	3,190,880	1,812,174	2,154,598
Change in salary escalation rate	3,084,533	2,637,911	2,166,941	1,807,500

ix) Maturity profile of defined benefit obligation

Year	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Apr 2020- Mar 2021	12,982	13,577
Apr 2021- Mar 2022	307,862	55,828
Apr 2022- Mar 2023	14,042	290,343
Apr 2023- Mar 2024	17,935	13,091
Apr 2024- Mar 2025	18,975	15,785
Apr 2025 onwards	2,442,517	1,291,558

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 38: LEASES

(A) Operating leases where Company is a lessee:

When the intermediate lessor enters into the sublease which is classified as Operating lease, It retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position. During the term of the sublease, the intermediate lessor: Recognises a depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sublease.

Further Ind AS 116 requires inclusion of variable lease payments based on Index or a rate.

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
Balance as on 01 April 2018	-	-	-
Reclassified on account of adoption of Ind AS 116	10,781,013	302,495	11,083,508
Additions	-	-	-
Depreciation	2,329,637	65,177	2,394,814
Balance as on 31 March 2019	**8,451,376**	**237,318**	**8,688,694**
Additions	12,121,595	405,070	12,526,665
Depreciation	3,444,403	114,186	3,558,589
Balance as on 31 March 2020	**17,128,568**	**528,202**	**17,656,770**

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:

Particulars	Amount
Balance as on 01 April 2018	15,474,443
Additions	-
Finance cost accrued during the period	1,215,792
Payment of lease liabilities	2,669,673
Balance as on 31 March 2019	**14,020,562**

Particulars	Amount
Balance as on 01 April 2019	14,020,562
Additions	20,404,191
Finance cost accrued during the period	2,167,803
Payment of lease liabilities	4,919,246
Balance as on 31 March 2020	**31,673,310**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Less than one year	8,111,604	2,796,558	2,669,772
One to five years	17,692,817	9,244,113	11,511,917
More than five years	83,254,358	37,803,624	38,332,378
Total	**109,058,779**	**49,844,295**	**52,514,067**

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 35,000/-(previous year INR 280,000/-)

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 38: LEASES *(contd.)*

(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 1,90,66,629/- for the year ended 31 March, 2020.

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

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Within one year	18,905,664	16,850,664	16,854,414
After one year but not more than five years	15,441,102	27,179,766	44,378,430

NOTE 39: RELATED PARTY DISCLOSURES:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Subsidiary Companies

Digisol Systems Limited

Synegra EMS Limited

Telesmart SCS Limited

Enterprise over which key management person is able to exercise significant influence.

Tanmatra Technologies Private Limited

Mr. Kamalaksha R. Naik (HUF)

Key Management Personnel (KMP)

Mr. Kamalaksha R. Naik - Executive Chairman

Mr. Krishnanand M. Gaonkar - Non Executive Independent Director

Mr. Bhanubhai R. Patel - Non Executive Independent Director

Mr. Pankaj M. Baliga - Non Executive Independent Director

Mr. Pradeep A. Rane - Non Executive Independent Director

Mr. Pradeep G. Pande - Non Executive Independent Director

Ms. Arati K. Naik - Executive Director

Relatives of key management personnel :

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Mrs. Lakshana A. Sharma

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 39: RELATED PARTY DISCLOSURES *(Contd.)*:

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

Particulars	For the year ended 31 March, 2020			For the year ended 31 March, 2019		
	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
Interest Income on Debentures						
Digisol Systems Limited	-	-	-	17,941,462	-	-
Rent Income						
Digisol Systems Limited	5,280,000	-	-	5,280,000	-	-
Synegra EMS Limited	5,575,414	-	-	5,575,414	-	-
Telesmart SCS Limited	2,563,250	-	-	2,563,250	-	-
Tanmatra Technologies Private Limited	-	100,000	-	-	300,000	-
Charge received for consumption of Electricity						
Digisol Systems Limited	600,000	-	-	2,400,000	-	-
Office Expenses						
Digisol Systems Limited	-	-	-	1,262	-	-
Purchase of Networking Products						
Digisol Systems Limited	256,064	-	-	-	-	-
Charged towards CSR expenses						
Digisol Systems Limited	758,607	-	-	159,896	-	-
Managerial Remuneration						
Ms. Arati K. Naik						
Short-term employee benefits	-	-	2,978,400	-	-	-
Post-employment benefits	-	-	21,600	-	-	-
Director Sitting Fees						
Mr. Krishnand Maruti Gaonkar	-	-	660,000	-	-	560,000
Mr. Pankaj Madhav Baliga	-	-	710,000	-	-	710,000
Mr. Pradeep Anant Rane	-	-	650,000	-	-	600,000
Mr. Bhanubhai Ramjibhai Patel	-	-	550,000	-	-	600,000
Mr. Pradeep Gopal Pande	-	-	300,000	-	-	350,000
Consideration paid for Buyback of Shares						
Mr. Kamalaksha R. Naik	-	-	248,009,190	-	-	368,182,200
Mr. Kamalaksha R. Naik (HUF)	-	5,382,130	-	-	8,061,960	-
Ms. Aarti K. Naik	-	-	49,480,080	-	-	72,269,400
Mrs. Sudha K. Naik	-	-	24,741,080	-	-	36,134,760
Mrs. Lakshana A. Sharma	-	-	40,373,320	-	-	53,344,320
Investment in Subsidiary Companies during the year						
Digisol Systems Limited - conversion of Debentures into Equity Shares	-	-	-	250,000,000	-	-

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 39: RELATED PARTY DISCLOSURES *(Contd.)*:

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

Particulars	For the year ended 31 March, 2020			For the year ended 31 March, 2019		
	Subsidiary	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personell	Subsidiary	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personell
Bank Guarantee given during the year on behalf of Digisol Systems Limited	200,000,000	-	-	200,000,000	-	-
Bank Guarantee revoked during the year						
Digisol Systems Limited	200,000,000	-	-	90,000,000	-	-
Loss on derecognition of debentures						
Digisol Systems Limited	-	-	-	12,955,161	-	-

Balances due from and due to related parties

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Amount due from related party:			
Subsidiary Companies:			
Digisol Systems Limited	2,511,000	2,635,800	675,200
Digisol Systems Limited - Debentures	-	-	250,000,000
Digisol Systems Limited - Debentures Interest accrued	-	-	4,438,356
Synegra EMS Limited	4,541,004	501,786	501,786
Telesmart SCS Limited	1,384,158	230,693	230,693
Enterprises / proprietory concerns in which key management personnel or their relatives exercise significant influence			
Tanmatra Technologies Private Limited	147,500	29,500	-
Amount due to related party:			
Subsidiary Companies:			
Digisol Systems Limited	87,955	45,637	-
Amount of Guarantee given and outstanding:			
Subsidiary Companies:			
Digisol Systems Limited	200,000,000	200,000,000	90,000,000

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 40: 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 41: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A. **Accounting classification and fair values**

The table shown in note no. 42 shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 41: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(contd.)*

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

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

NOTE 42: FAIR VALUE HIERARCHY

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

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

Fair value measurement hierarchy of assets and liabilities

Particulars	Fair value hierarchy	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Financial assets measured at amortised cost				
Investments in Debt securities	Level 3	343,482,865	328,297,426	273,164,041
Fixed Deposits	Level 3	-	24,810,333	23,178,896
Security Deposits	Level 3	3,688,011	3,274,711	3,113,408
Financial assets measured at fair value				
(a) Financial assets measured at fair value through profit or loss	Level 2	1,085,601,572	1,581,763,736	2,240,038,572
Investments in mutual funds				
(b) Financial assets measured at fair value through other comprehensive income	Level 2	186,193,217	322,725,046	340,263,835
Investments in Debt securities				
Financial liabilities measured at amortised cost				
Security Deposits	Level 3	1,774,368	1,412,669	1,393,000
Lease Liabilities	Level 3	31,673,310	14,020,562	15,474,443
Financial guarantee obligation	Level 3	198,279	198,822	146,099
Asset retirement obligation	Level 3	673,763	569,109	525,124

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

NOTE 43: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorised 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.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 43: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

(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 31st March, 2020, 31st March, 2019 and 1st April, 2018 is the carrying amounts as mentioned in Note 8,9,11 and 15.

(C) Liquidity risk

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

NOTE 44: 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 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	522,868	-	522,868	4,057,521	-	4,057,521	22,226,899	-	22,226,899
Bank Balance other than Cash and cash equivalents	862,974	6,750,338	7,613,312	40,527,921	5,164,855	45,692,776	2,358,751	5,164,855	7,523,606
Investments	1,285,939,966	343,482,865	1,629,422,831	2,062,797,811	328,297,426	2,391,095,237	3,091,719,659	273,164,041	3,364,883,700
Receivables- Other Receivables	8,958,014	-	8,958,014	3,458,842	-	3,458,842	1,443,078	-	1,443,078
Other financial assets	174,437	3,688,011	3,862,448	306,129	3,274,711	3,580,840	76,795	3,113,408	3,190,203
Non Financial Assets									
Tax assets (Net)	11,745,761	-	11,745,761	3,300,030	-	3,300,030	4,456,296	-	4,456,296
Investment Property	-	135,369,831	135,369,831	-	30,449,104	30,449,104	-	32,049,095	32,049,095
Property, Plant and Equipment	-	125,020,288	125,020,288	-	163,697,586	163,697,586	-	170,163,586	170,163,586
Capital work-in-progress	-	20,771,658	20,771,658	-	-	-	-	-	-
Intangible assets	-	1,079,244	1,079,244	-	2,836,737	2,836,737	-	5,150,640	5,150,640
Other non-financial assets	4,702,916	-	4,702,916	7,705,067	-	7,705,067	2,527,219	-	2,527,219
Total Assets	**1,312,906,936**	**636,162,235**	**1,949,069,171**	**2,122,153,321**	**533,720,419**	**2,655,873,740**	**3,124,808,697**	**488,805,625**	**3,613,614,322**
Financial liabilities									
Trade Payables	7,055,522	-	7,055,522	6,165,649	-	6,165,649	9,534,068	-	9,534,068
Borrowing (Other than debt securities)	5,624,234	26,049,076	31,673,310	1,697,521	12,323,041	14,020,562	1,209,769	14,264,674	15,474,443

Notes forming part of the financial statements

NOTE 44: MATURITY ANALYSIS OF ASSETS AND LIABILITIES *(Contd.)*

(Amount in INR, unless otherwise stated)

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other financial liabilities	2,555,621	953,763	3,509,384	2,707,095	569,109	3,276,204	3,612,647	525,124	4,137,771
Non financial liabilities									
Provisions	1,355,885	30,309	1,386,194	756,052	83,645	839,697	606,020	135,062	741,082
Deferred tax liabilities (Net)	-	28,018,835	28,018,835	-	43,148,373	43,148,373	-	45,892,917	45,892,917
Other non-financial liabilities	887,057	-	887,057	585,741	-	585,741	595,982	-	595,982
Total Liabilities	**17,478,319**	**55,051,983**	**72,530,302**	**11,912,058**	**56,124,168**	**68,036,226**	**15,558,486**	**60,817,777**	**76,376,263**
Net	**1,295,428,617**	**581,110,252**	**1,876,538,869**	**2,110,241,263**	**477,596,251**	**2,587,837,514**	**3,109,250,211**	**427,987,848**	**3,537,238,059**

B Public Disclosure on liquidity risk

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

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

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

Not Applicable

(iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Not Applicable

(iv) Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument/ product	Amount (₹ Crores)	% of total liabilities
Not Applicable			

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets.

Not Applicable

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets.

Not Applicable

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets.

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Short term liabilities as a % of total public funds	-	-	-
Short term liabilities as a % of total Liabilities	24.10%	17.51%	20.37%
Short term liabilities as a % of total Assets	0.90%	0.45%	0.43%

(vi) Institutional set-up for liquidity risk management

Not Applicable

NOTE 45: 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 31st March, 2020, 31st March, 2019 and 1st April, 2018.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 46:

As per provisions of section 135 of Companies Act 2013, the Company was required to spend INR 21,63,475/- (31 March 2019: INR 19,19,010/-) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent INR 53,74,560/- (31 March 2019: INR 19,98,727) towards Corporate Social Responsibility activities as under:

Particular	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above		
- Installation of Networking products in various schools	844,010	223,727
- Prime Minister's National Relief Fund	-	775,000
- Aspiring Entrepreneurs Workshop/ mentoring sessions for educational institutions	-	500,000
- Contribution to Covid Relief Fund	500,000	-
- Contribution to Foundation's/Trust's	4,000,000	-
- Education purpose	30,550	500,000
	5,374,560	**1,998,727**

NOTE 47:

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

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Loans and advances in the nature of loans to subsidiaries by name and amount.	-	-	-
Loans and advances in the nature of loans to associates by name and amount.	-	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	-	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	-	-	-

NOTE 48:

The Pandemic 'COVID-19' has severely impacted business globally, including India. There has been severe disruption in regular business operations. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in a global slowdown, including India.

The Company has evaluated the impact of the pandemic on its business operations, liquidity, internal financial reporting and control and financial position and based on the management's review of the current indicators and economic conditions, there is no material impact on its financial results as at 31st March 2020. The assessment of impact of COVID -19 is a continuing process given the uncertainties associated with the nature and duration of the pandemic. The Company will continuously monitor any material changes to future economic conditions and business of the Company.

NOTE 49:

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

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

Consolidated Financial Information

Independent Auditor's Report

TO THE MEMBERS OF SMARTLINK HOLDINGS LIMITED
(formerly known as Smartlink Network Systems 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, 2020, and the Consolidated Statement of Profit and Loss, 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, 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, 2020, of consolidated loss, 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.

Emphasis of Matter

As mentioned in Notes 51 to the accompanying Consolidated Financial Statements, the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. However, the extent to which the COVID-19 pandemic will impact the Group's financials will depend on future developments, which are currently not ascertainable.

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 of the current period. 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.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Revenue Recognition from Networking Products:** Refer the disclosures related to Revenue recognition in Note 27 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. 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 revenue is one of the key performance indicators and timing of revenue recognition involves significant management judgement.	**Our audit procedure in respect of this area included:** Our audit procedures to assess the recognition of revenue from Networking Products included the following: • Obtained an understanding of the design, implementation and operating effectiveness of internal controls over the accuracy, completeness and timing of revenue recognition. • Verified the contracts on test check basis to identify performance obligations under the contracts and assessed whether revenue is recognised and recorded in the period in which the performance obligation is satisfied. • Performed substantive transactional testing on test check basis and applied analytical procedures to validate the recognition of revenue. • Verified the completeness and accuracy of the disclosures, which are included in note 27 of the consolidated financial statements.
2	**Valuation of Investments:** Refer Note 4 to Consolidated Financial Statements. The Holding Company has adopted 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 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). As at March 2020, the Holding Company has investments of ₹16,103.47 Lakhs in mutual funds, bonds and preference shares which constitutes about 70% of the total assets of the group. During the year, the Holding Company has recognised ₹739.55 Lakhs as fair valuation gain in the statement of Profit and Loss and ₹33.70 lakhs as fair value loss in Other Comprehensive Income and ₹1,200.16 lakhs in Other Equity relating to the opening balance sheet adjustments in terms of Ind AS 109 "Financial Instruments". Due to significance of amount involved and valuation, classification and Ind AS transition adjustments, we have considered this as Key Audit Matter.	**Our audit procedure in respect of this area included:** • Obtained an understanding of the design, implementation and operating effectiveness of internal controls over the existence, valuation and classification of investments in mutual funds, bonds and preference shares; • Verification of de-mat account and statement of accounts in respect of mutual funds, bonds and preference shares to confirm existence of investments as on March 31, 2020. • Evaluating the basis of classification of investments into the various classes of financial instruments. • In respect of investments in bonds and mutual funds which are fair valued through profit or loss or other comprehensive income, performing independent price checks using data of external quoted prices and statement of Net Asset Value (NAV) from mutual funds. • Verification of gain/loss on disposal of investments recorded in the consolidated financial statements from the contract notes and other documents connected with disposal and the fair value of investment in the books as on the date of disposal. • Verified the completeness and accuracy of the disclosures, which are included in note 13 of the consolidated financial statements.

Independent Auditor's Report

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3.	**Re-development & write-off of Building:** Refer to note 11 Consolidated Financial statements The Board of Directors of the Holding Company at its meeting held on February 11, 2020 approved a proposal for re-development of own building at Mumbai. The original cost of the Building was ₹824.13 lakhs and the Written Down Value is ₹424.78 lakhs. The re-development proposal requires demolition of the existing building, and hence the WDV of ₹424.78 lakhs has been written off in books of account and disclosed as Exceptional Item in the statement of Profit and Loss. Management's assessment of the demolition and re-development of the Building requires significant judgment and accordingly, it has been determined as a key audit matter.	**Our audit procedures in respect of write off of own building included the following:** • Obtained an understanding of the design, implementation and operating effectiveness of internal controls over the existence, ownership, completeness, accuracy, valuation and presentation of property, plant and equipment. • Verified the board minutes for approval of the proposal for re-development of the building. • Evaluation of appropriateness of the Holding Company's judgment regarding write-off of the WDV of the existing building. • Verified the computation of the amount of loss incurred on account of such write off. • Verified the completeness and accuracy of the disclosures, which are included in note 11 of the consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

Other Matter

The comparative financial information of the Group for the year ended March 31, 2019 included in the Consolidated Financial Statements is based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended March 31, 2019 on which we issued an unmodified audit opinion vide our report dated May 15, 2019 on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS which have also been audited by us.

Our opinion is not modified in respect of this matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

Independent Auditor's Report

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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 is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, refer Note 39 to the consolidated financial statements.

   ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADE2842

Place : Pune
Date : July 14, 2020

Annexure A to the Independent Auditor's Report

ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED

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

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

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADE2842

Place : Pune
Date : July 14, 2020

Annexure B to the Independent Auditor's Report

REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SMARTLINK HOLDINGS LIMITED

[Referred to in paragraph 1(f) 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, 2020]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, 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.

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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

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

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, 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 issued by the ICAI.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Anup Mundhra
Partner
Membership No. 061083
UDIN: 20061083AAAADE2842

Place : Pune
Date : July 14, 2020

Consolidated Balance Sheet as at 31st March, 2020

(Amount in INR, unless otherwise stated)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	5	2,508,857	8,643,459	34,399,509
Bank Balance other than cash and cash equivalents	6	62,256,873	97,750,361	27,470,691
Receivables				
(i) Trade Receivables	7	78,440,808	146,633,563	131,659,834
(ii) Other Receivables	7	374,352	61,063	35,399
Investments	13	1,610,347,654	2,252,689,883	2,885,483,764
Other Financial assets	8	6,934,814	7,828,572	7,178,304
Non-financial Assets				
Current Tax assets (Net)	9	12,355,700	3,548,161	4,580,003
Investment Property	10	113,761,505	7,597,198	7,794,763
Property, Plant and Equipment	11	219,327,340	232,693,355	243,422,460
Capital work-in-progress		20,771,658	-	-
Intangible assets	12	3,431,176	6,513,111	9,933,674
Inventories	14	98,219,551	169,007,133	152,237,229
Other non-financial assets	15	60,237,024	68,443,688	67,610,067
Total Assets		**2,288,967,312**	**3,001,409,547**	**3,571,805,697**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	16			
(i) total outstanding dues of micro enterprises and small enterprises		150,202	359,705	843,404
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		124,837,054	137,794,100	150,015,445
Borrowings (Other than Debt Securities)	17	267,364,917	237,719,812	86,851,222
Other financial liabilities	18	5,981,283	6,066,125	6,266,299
Non-Financial Liabilities				
Provisions	19	5,976,348	5,163,434	4,452,457
Deferred tax liabilities (Net)	20	27,848,020	42,976,119	45,858,133
Other non-financial liabilities	21	26,852,449	17,261,493	27,664,513
EQUITY				
Equity Share capital	22	26,600,000	33,900,000	45,100,000
Other Equity	23	1,801,734,241	2,515,646,128	3,198,410,595
Non-Controlling Interest	24	1,622,798	4,522,631	6,343,629
Total Liabilities and Equity		**2,288,967,312**	**3,001,409,547**	**3,571,805,697**

See accompanying notes to the consolidated financial statements 1-52

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

Particulars	Note No.	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
INCOME			
Revenue from operations			
Interest Income	25	63,667,337	67,793,588
Dividend Income		-	332,137
Rental Income		5,647,965	3,853,756
Net gain on fair value changes	26	73,955,291	106,619,988
Revenue from contracts with customer	27	608,317,202	885,904,055
Total Revenue from operations		**751,587,795**	**1,064,503,524**
Other Income	28	5,434,767	16,065,856
Total Income		**757,022,562**	**1,080,569,380**
EXPENSES			
Finance costs	29	24,440,913	14,451,747
Impairment of financial instruments	30	-	4,930,000
Cost of raw material consumed		61,908,871	248,260,791
Purchase of traded goods	31	340,469,704	484,998,966
Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	32	65,813,074	(37,271,324)
Employee benefits expenses	33	177,505,209	163,112,633
Depreciation and amortisation expense	34	30,170,218	26,512,655
Others expenses	35	161,922,592	173,628,345
Total Expenses		**862,230,581**	**1,078,623,813**
(loss) / Profit before exceptional items and tax		**(105,208,019)**	**1,945,567**
Exceptional items (Refer Note 11 (a))		42,477,982	-
(loss) / Profit before tax		**(147,686,001)**	**1,945,567**
Less: Tax Expense:			
- Current Tax		17,338,000	32,110,000
- Deferred Tax		(14,142,268)	(960,766)
- Earlier Year Tax Adjustments		(8,226,038)	288,189
Total Tax Expense	36	**(5,030,306)**	**31,437,423**
(Loss) for the year		**(142,655,695)**	**(29,491,856)**
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		(2,120,500)	(211,017)
Income tax relating to above		137,568	(1,547)
Subtotal (A)		(1,982,932)	(212,564)
B. Items that will be reclassified to profit or loss			
Net fair value gain/ (loss) on financial instruments		(3,370,404)	(1,673,005)
Income tax relating to above		848,263	1,922,795
Subtotal (B)		(2,522,141)	249,790
Other Comprehensive Income (A + B)		**(4,505,073)**	**37,226**
Total Comprehensive Income for the year		**(147,160,768)**	**(29,454,630)**
(Loss) for the year attributable to			
Equity holders of the parent		(139,755,862)	(27,670,858)
Non-controlling interest		(2,899,833)	(1,820,998)
Total comprehensive income for the year, net of tax			
Equity holders of the parent		(144,260,935)	(27,633,632)
Non-controlling interest		(2,899,833)	(1,820,998)
Basic and diluted Earnings per share (Nominal value per share ₹2)	37	(8.95)	(1.50)
See accompanying notes to the consolidated financial statements	1-52		

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

Consolidated Statement of Cash Flow for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Cash flow from operating activities		
Net profit / (loss) before taxation	(147,686,001)	1,945,567
Adjustments for:		
Depreciation and amortisation expense	30,170,218	26,512,655
Value of Building written off	42,477,982	-
(Profit) on Property, plant and equipment sold / written off (net)	(253,072)	(1,645,333)
EIR impact of security deposits and rent amortization	(314,724)	(273,021)
Impairment on Financial Instruments	-	4,930,000
Bad Debts written off	122,004	8,331,020
Provision for doubtful debts written back	(2,627,344)	(11,773,676)
Net gain on fair value changes	(73,955,291)	(106,619,988)
Unrealised Foreign exchange difference (net)	394,276	(424,893)
Sundry balances written off / back (net)	285,838	(426,716)
Finance costs	24,440,913	14,451,747
Gain on derecognition of Right to use assets	(1,288,572)	-
Operating profit before working capital changes	(128,233,773)	(64,992,638)
Changes in working capital		
(Decrease) in Trade payables	(13,873,557)	(11,893,745)
Increase in Other financial liabilities and provisions	147,788	955,279
Increase / (Decrease) in Other non-financial liabilities and provisions	8,283,370	(9,903,060)
Decrease / (Increase) in Trade receivables	70,403,873	(11,560,670)
Decrease in Investments	713,241,811	730,956,120
Decrease / (Increase) in Inventories	70,787,582	(16,769,904)
(Increase) in Other financial assets	(1,072,119)	(31,503,344)
Decrease in Other non-financial assets	3,747,283	2,334,210
Cash generated from operations	723,432,258	587,622,248
Income tax (paid)/ refund	(17,919,501)	(31,366,347)
Net cash flows from operating activities (A)	705,512,757	556,255,901
Cash flow from Investing activities		
Purchase of property, plant and equipment and investment property	(168,739,854)	(11,106,341)
Proceeds from Sale of property, plant and equipment and intangible assets	295,697	1,662,149
Investment in fixed deposit		
Placed	(119,200,000)	(243,276,766)
Redemption of fixed deposit	157,109,398	205,977,937
Net cash flow (used in) investing activities (B)	**(130,534,759)**	**(46,743,021)**
Cash flow from Financing activities		
Buyback of Parent Company's equity shares	(474,500,000)	(672,000,000)
Tax on Buyback of Parent Company's equity shares	(106,076,367)	-
Proceeds received on account of short term borrowings	25,591,775	157,858,797
Dividend paid	(232,630)	(977,944)
Interest payments	(12,568,859)	(8,424,649)
Cash Payment for the principal portion of lease payments	(13,334,346)	(11,769,377)
Net cash flows (used in) financing activities (C)	**(581,120,427)**	**(535,313,173)**
Net (Decrease) in cash and cash equivalents (A+B+C)	(6,142,429)	(25,800,293)
Cash and cash equivalents at the beginning of the year	8,643,459	34,399,509
Effect of exchange differences on restatement of foreign currency Cash and bank balance	7,827	44,243
Cash and cash equivalents at the end of the year	**2,508,857**	**8,643,459**
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	2,162,363	8,310,366
Cash on hand	346,494	333,093
Total cash and cash equivalents at end of the year	**2,508,857**	**8,643,459**
Non Cash Movement in Financing Activity		
Borrowings (including current maturities of long term Debt)	3,733,376	(3,859,067)
Lease Liabilities	13,654,300	8,638,237

See accompanying notes to the consolidated financial statements
The accompanying notes are an integral part of the financial statements
In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Go , dated: 14th July, 2020

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

(Amount in INR, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening	33,900,000	45,100,000	45,100,000
Add: Issued during the year	-	-	-
Less: Bought back during the year	(7,300,000)	(11,200,000)	-
Closing	**26,600,000**	**33,900,000**	**45,100,000**

OTHER EQUITY

Particulars	Capital Contribution	Reserves and Surplus					FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Equity attributable to Share-holders of the Company	Non Controlling Interest
		Securities Premium	Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account				
Balance at 1 April 2018	-	278,614,693	22,003,927	14,909,700	556,720,271	2,324,213,999	-	1,948,005	3,198,410,595	6,343,629
Profit for the year	-	-	-	-	-	(27,670,858)	-	-	(27,670,858)	(1,820,998)
Other comprehensive income / (loss)	-	-	-	-	-		(212,564)	249,790	37,226	-
Total Comprehensive Income for the year	-	-	-	-	-	(27,670,858)	(212,564)	249,790	(27,633,632)	(1,820,998)
Buyback of equity shares	-	(278,614,693)	-	11,200,000	-	(393,385,307)	-	-	(660,800,000)	-
Change during the year	5,669,165	-	-	-	-	-	-	-	5,669,165	-
Balance at 31 March 2019	**5,669,165**	**-**	**22,003,927**	**26,109,700**	**556,720,271**	**1,903,157,834**	**(212,564)**	**2,197,795**	**2,515,646,128**	**4,522,631**

Particulars	Capital Contribution	Reserves and Surplus					FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Equity attributable to Share-holders of the Company	Non Controlling Interest
		Securities Premium	Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account				
Balance at 1 April 2019	5,669,165	-	22,003,927	26,109,700	556,720,271	1,903,157,834	(212,564)	2,197,795	2,515,646,128	4,522,631
Profit for the year	-	-	-	-	-	(139,755,862)	-	-	(139,755,862)	(2,899,833)
Other comprehensive income / (loss)	-	-	-	-	-		(1,982,932)	(2,522,141)	(4,505,073)	-
Total Comprehensive Income for the year	-	-	-	-	-	(139,755,862)	(1,982,932)	(2,522,141)	(144,260,935)	(2,899,833)
Buyback of equity shares	-	-	-	7,300,000	-	(474,500,000)	-	-	(467,200,000)	-
Expenses for buyback of equity shares	-			-	-	(106,076,367)	-	-	(106,076,367)	-
Change during the year	3,625,415	-	-	-	-	-	-	-	3,625,415	-
Balance at 31 March 2020	**9,294,580**	**-**	**22,003,927**	**33,409,700**	**556,720,271**	**1,182,825,605**	**(2,195,496)**	**(324,346)**	**1,801,734,241**	**1,622,798**

Notes forming part of the consolidated financial statements

(Amount in INR, 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 Digisol Systems Limited, Synegra EMS Limited, Telesmart SCS Limited (Subsidiaries of the Parent Company), together referred to as the 'Group' .

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Group are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

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

The financial statements up to year ended 31st March, 2019 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (Previous GAAP).

These financial statements for the year ended 31st March, 2020 are the first set of financial statements prepared in accordance with Ind AS. Refer note 4 for an explanation of how the Group has adopted Ind AS.

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) and all values are rounded to the nearest decimals, except when otherwise indicated.

(b) Use of estimates

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

2.2 Principles of consolidation

Subsidiaries

- Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.
- The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.
- Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

2.3 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to it up to the date it is ready for its intended use.

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.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2018 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 Equipments	5
Electrical Installations	10
Air Conditioners	10
Computer	3

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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 the following 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

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

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

2.4 Investment properties

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

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

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

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

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the Carrying Value for all of its investment property as recongnised in its India GAAP financial statements as deemed cost as at transition date, viz, 1st April 2018.

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.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its all intangible assets recognised as at 1st April, 2018 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

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.

2.5 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 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.

2.6 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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 — Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

2.7 Revenue Recognition

(a) Recognition of interest income

The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

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

(b) Revenue from lease rentals

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

(c) Dividend Income

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

(d) Trading Income

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

(e) Revenue from contract with customers

Revenue from contract with customers is recognised upon satisfaction of the performance obligation by transferring promised goods and rendering of services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and services tax/value added taxes/sales tax and amounts collected on behalf of third party.

2.8 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 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.

(c) Minimum Alternate tax (MAT)

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

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(Amount in INR, unless otherwise stated)

2.9 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases, modified retrospectively, without the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2018). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of surplus in statement of profit and loss account as on April 1, 2018.

Ind AS 116 requires inclusion of variable lease payments based on Index or a rate.

Variable lease payments based on an index or a rate: Variable lease payments based on an index or a rate (for example, linked to a consumer price index, a benchmark interest rate or a market rental rate) are part of the lease liability. From the perspective of the lessee, these payments are unavoidable, because any uncertainty relates only to the measurement of the liability but not to its existence. Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date (instead of forward rates/indices). This means that an entity does not forecast future changes of the index/rate; these changes are taken into account at the point in time in which lease payments change.

However, based on management's estimates that lease payment increases 10% after a period of a period of three years. Therefore, based on management judgement, estimates and conservative approach it is estimated, lease liability has been calculated based on these estimated cash flows.

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Operating leases

As a lessee:

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying AS 29 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

As a lessor:

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

2.10 Impairment of non-financial assets

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

2.11 Provisions and contingent liabilities

Provisions are recognised when the 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.

2.12 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.

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) Investments and financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

<u>Amortized cost:</u> 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 finance income using the effective interest rate method (EIR).

<u>Fair value through other comprehensive income (FVOCI):</u> 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

Notes forming part of the consolidated financial statements

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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 derecognised, 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 other 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 other 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

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

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

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

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

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

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.

(b) 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.

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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.

(c) 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.

(d) 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.

2.14 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 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.

(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. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

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.

2.15 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 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.

2.16 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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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

2.18 Segment Reporting

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

The group has two business segments:

(i) Investment : Earning income through dividends, interest, rentals and gains on Investment in securities and property.

(ii) Networking : Developing, manufacturing, marketing, distributing and servicing of networking products.

2.19 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest decimals as per requirement of Schedule III of the Act, unless otherwise stated.

NOTE 3A: 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 31 March 2020 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) Acturial Valuation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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. All assumptions are reviewed at each reporting date.

(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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 3B: STANDARDS (INCLUDING AMENDMENTS) ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2020.

NOTE 4: FIRST-TIME ADOPTION OF IND-AS

These financial statements are the first set of Ind AS financial statements prepared by the Group. The Accounting policies set out in note 2 have been applied in preparing the Financial Statements for the year ended March 31, 2020, the comparative information presented for the year ended March 31, 2019 and in the preparation of the opening Ind AS Balance Sheet as at April 1, 2018 (the Group's date of transition).

The Group has prepared opening Balance Sheet as per Ind AS as of April 1, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

4.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions.

(a) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also applicable for intangible assets covered by Ind AS 38.

Accordingly, the Management has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

4.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2018 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) Fair valuation of compound financial instrument.

(iii) Effective interest rate used in calculation of security deposit and borrowings.

(iv) Lease accounting

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

4.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards"

(a) Reconciliation of equity as at date of transition 1st April, 2018

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Indian GAAP*	Adjustments	Ind AS
ASSETS						
Financial Assets						
Cash and cash equivalents		34,399,509	-	34,399,509	-	34,399,509
Bank Balance other than cash and cash equivalents above		21,573,548	5,897,143	27,470,691	-	27,470,691
Receivables						
Trade Receivables	f(vi)	134,655,165	-	134,655,165	(2,995,331)	131,659,834
Other Receivables		35,399	-	35,399	-	35,399

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(a) Reconciliation of equity as at date of transition 1st April, 2018 *(contd.)*

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Indian GAAP*	Adjustments	Ind AS
Investments	f(i),f(ii),f(iii)	2,732,533,435	32,734,649	2,765,268,084	120,215,680	2,885,483,764
Other Financial assets	f(iv)	8,616,951	-	8,616,951	(1,438,647)	7,178,304
Non-financial Assets						
Current tax assets (Net)		8,728,570	(4,148,567)	4,580,003	-	4,580,003
Investment Property		-	4,089,075	4,089,075	3,705,688	7,794,763
Property, Plant and Equipment	f(v)	202,726,448	(4,089,075)	198,637,373	44,785,087	243,422,460
Other Intangible assets		9,933,674	-	9,933,674	-	9,933,674
Inventories		152,237,229	-	152,237,229	-	152,237,229
Other non-financial assets		106,241,859	(38,631,792)	67,610,067	-	67,610,067
Total Assets		**3,411,681,787**	**(4,148,567)**	**3,407,533,220**	**164,272,477**	**3,571,805,697**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Trade Payables		150,858,849	-	150,858,849	-	150,858,849
Borrowings (Other than Debt Securities)	f(vi)	39,643,959	660,822	40,304,781	46,546,441	86,851,222
Other financial liabilities	f(iv)	6,003,362	-	6,003,362	262,937	6,266,299
Non-Financial Liabilities						
Current tax liabilities (Net)		4,148,567	(4,148,567)	-	-	-
Provisions		4,350,423	102,034	4,452,457	-	4,452,457
Deferred tax liabilities (Net)	f(ix)	11,611,505	-	11,611,505	34,246,628	45,858,133
Other non-financial liabilities	f(iv)	28,171,312	(762,856)	27,408,456	256,057	27,664,513
EQUITY						
Equity Share capital		45,100,000	-	45,100,000	-	45,100,000
Other Equity	f(i), f(ii), f(iii), f(iv), f(v), f(vi), f(ix)	3,115,450,181	-	3,115,450,181	82,960,414	3,198,410,595
Non-Controlling Interest		6,343,629	-	6,343,629	-	6,343,629
Total Liabilities and Equity		**3,411,681,787**	**(4,148,567)**	**3,407,533,220**	**164,272,477**	**3,571,805,697**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

(b) Reconciliation of equity as at 31st March 2019

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Indian GAAP*	Adjustments	Ind AS
ASSETS						
Financial Assets						
Cash and cash equivalents		8,643,459	-	8,643,459	-	8,643,459
Bank Balance other than Cash and cash equivalents		89,998,475	7,751,886	97,750,361	-	97,750,361
Receivables						
Trade Receivables	f(vi)	148,482,888	-	148,482,888	(1,849,325)	146,633,563
Other Receivables		61,063	-	61,063	-	61,063
Investments	f(i),f(ii),f(iii)	2,094,882,063	44,235,037	2,139,117,100	113,572,783	2,252,689,883
Other Financial assets	f(iv)	61,062,721	(51,986,923)	9,075,798	(1,247,226)	7,828,572

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(b) **Reconciliation of equity as at 31st March 2019 *(contd.)***

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Indian GAAP*	Adjustments	Ind AS
Non-financial Assets						
Inventories		169,007,133	-	169,007,133	-	169,007,133
Current tax assets (Net)		8,568,476	(5,020,315)	3,548,161	-	3,548,161
Investment Property			5,404,218	5,404,218	2,192,980	7,597,198
Property, Plant and Equipment	f(v)	197,478,138	(5,404,218)	192,073,920	40,619,435	232,693,355
Other Intangible assets		6,513,111	-	6,513,111	-	6,513,111
Other non-financial assets		68,443,688	-	68,443,688	-	68,443,688
Total Assets		**2,853,141,215**	**(5,020,315)**	**2,848,120,900**	**153,288,647**	**3,001,409,547**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Trade Payables		138,153,805	-	138,153,805	-	138,153,805
Borrowings (Other than Debt Securities)	f(vi)	197,502,757	360,246	197,863,003	39,856,809	237,719,812
Other financial liabilities	f(iv)	6,734,701	(360,246)	6,374,455	(308,330)	6,066,125
Non-Financial Liabilities						
Provisions		10,092,015	(4,928,581)	5,163,434	-	5,163,434
Deferred tax liabilities (Net)	f(ix)	13,397,943	-	13,397,943	29,578,176	42,976,119
Other non-financial liabilities	f(iv)	17,215,176	(91,734)	17,123,442	138,051	17,261,493
EQUITY						
Equity Share capital		33,900,000	-	33,900,000	-	33,900,000
Other Equity	f(i), f(ii), f(iii), f(iv), f(v), f(vi), f(ix)	2,431,489,652	-	2,431,489,652	84,156,476	2,515,646,128
Non-Controlling Interest		4,655,166	-	4,655,166	(132,535)	4,522,631
Total Liabilities and Equity		**2,853,141,215**	**(5,020,315)**	**2,848,120,900**	**153,288,647**	**3,001,409,547**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

(c) **Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019**

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Indian GAAP*	Adjustments	Ind AS
Income						
Revenue from operations	f(i),f(ii),f(iii)	1,076,813,790	(7,556,820)	1,069,256,970	(4,753,446)	1,064,503,524
Other income		11,375,640	3,544,209	14,919,849	1,146,007	16,065,856
Total Income		**1,088,189,430**	**(4,012,611)**	**1,084,176,819**	**(3,607,439)**	**1,080,569,380**
Expenses						
Finance Cost	f(vii)	8,695,341	-	8,695,341	5,756,406	14,451,747
Impairment of financial instruments	f(i),f(ii),f(iii)		5,104,587	5,104,587	(174,587)	4,930,000
Cost of raw materials consumed		248,260,791	-	248,260,791	-	248,260,791
Purchase of traded goods		484,998,966	-	484,998,966	-	484,998,966
(Increase) / Decrease in inventories		(37,271,324)	-	(37,271,324)	-	(37,271,324)
Employee benefit expenses	f(viii)	163,323,650	-	163,323,650	(211,017)	163,112,633
Depreciation and amortisation expense	f(v)	16,413,057	-	16,413,057	10,099,598	26,512,655
Other expenses	f(v)	194,433,313	(9,117,198)	185,316,115	(11,687,770)	173,628,345
Total expenses		**1,078,853,794**	**(4,012,611)**	**1,074,841,183**	**(3,782,630)**	**1,078,623,813**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(c) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019 *(contd.)*

Particulars	Notes to first-time adoption	Indian GAAP*	Re-classification	Indian GAAP*	Adjustments	Ind AS
Profit /(Loss) before tax		**93,35,636**	**-**	**93,35,636**	**(73,90,069)**	**1,945,567**
Tax expense						
Current tax		32,110,000	-	32,110,000	-	32,110,000
Deferred tax	f(ix)	1,786,438	-	1,786,438	(2,747,204)	(960,766)
Earlier Year Tax Adjustments		288,189	-	288,189	-	288,189
Total income tax expense		**34,184,627**	**-**	**34,184,627**	**(2,747,204)**	**31,437,423**
Profit / (Loss) for the year		**(2,48,48,991)**	**-**	**(2,48,48,991)**	**46,24,865**	**(29,491,856)**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement gains / (loss) on defined benefit plan	f(vii)	-	-	-	(211,017)	(211,017)
Income tax relating to above	f(ix)	-	-	-	(1,547)	(1,547)
Items that will be reclassified to profit or loss						
Net fair value gain / (loss) on financial instruments	f(i), f(ii)	-	-	-	(1,673,005)	(1,673,005)
Income tax relating to above	f(ix)	-	-	-	1,922,795	1,922,795
Other comprehensive income for the year		-	-	-	37,226	37,226
Profit / (Loss) for the year before minority interest		(2,48,48,991)	-	(2,48,48,991)	(46,05,639)	(29,454,630)
Share in Loss attributable to Minority Interest		1,688,463	-	1,688,463	132,535	1,820,998
Profit / (Loss) for the year		**(2,31,60,528)**	**-**	**(2,31,60,528)**	**(44,73,104)**	**(27,633,632)**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) Reconciliation of Statement of Cashflow for the year ended 31st March, 2019

Particulars	Indian GAAP*	Adjustments	Ind AS
Net cash flows (used in) / from operating activities	(223,348,228)	779,604,129	556,255,901
Net cash flow from / (used in) investing activities	720,939,708	(767,682,729)	(46,743,021)
Net Cash Flows (used in) Financing Activities	(523,391,773)	(11,921,400)	(535,313,173)

(e) Notes to first-time adoption

(i) Fair Valuation of Bonds

Under Indian GAAP, the Group has recognised investments in bonds at lower of cost and fair value. Under Ind AS, such bonds that are held for collection of contractual cashflows and for trading are measured at fair value through other Comprehensive Income (FVOCI). At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes and subsequently in the other comprehensive income for the year ended 31 March 2019.

Accordingly, this increased other equity by INR 17,31,996/- as at 31 March 2019 (1 April 2018 by INR 19,22,012/-)

(ii) Fair Valuation of Preference Shares

Under Indian GAAP, the Group has recognised investments in bonds at lower of cost and fair value. Under Ind AS, such investments are measured at fair value through other Comprehensive Income (FVOCI). At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes and subsequently in the other comprehensive income for the year ended 31 March 2019. Accordingly, this decrease other equity by INR 19,81,786/- as at 31 March 2019 (1 April 2018 increased by INR 25,993/-).

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(iii) Fair Valuation of Mutual Funds

Under Indian GAAP, the Group has recognised investments in Mutual Funds and Equity Shares at lower of cost or fair value. Under Ind AS, such investments are measured at fair value through profit and loss account. On the transition date, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in retained earnings.

Consequent to above, the total equity as at 31st March 2019 has been increased by INR 10,54,13,406/- and as at 1st April 2018 by INR 11,56,88,718/- and comprehensive income has been increased by INR 1,02,75,312/-

(iv) Security deposit

a) Under Indian GAAP, interest-free security deposit given are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as Right-of-use asset.

b) Under Indian GAAP, interest-free security deposit taken are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as advance rent.

(v) Lease capitalised as per Ind AS 116

Under the Previous GAAP, office premises taken on lease (operating lease) were accounted as per Accounting for leases by charging the rent to the Statement of Profit and loss.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases prospectively. Accordingly, the Group has elected to use the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition of April 1, 2018 as the deemed cost of the right-of-use assets along with the value of the lease liability at the date of transition to the Ind AS.

(vi) Expected credit loss on Trade receivable

Under Indian GAAP, the Group has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

Due to ECL model, the Group impaired its trade receivable by INR 1,55,83,526/- as on 1st April 2018 which has been eliminated against retained earnings. A credit of INR 1,17,73,676/- for year ended on 31st March 2019 has been recognised in the statement of profit and loss.

(vii) Borrowings

Under Indian GAAP, the Group has recorded borrowings at transaction cost. Under Ind AS, borrowings are to be measured initially at fair value and subsequently at amortised cost and interest expense is to be recognised at effective interest rate method.

Consequent to the above, the Group has recognised borrowings at amortised cost retained earnings has been decreased by INR 28,52,248/- as on 31 March 2019 and INR 28,52,248/- for year ended on 31 March 2019 has been recognised in the statement of profit and loss.

(viii) Defined Employee Benefit

Both under Indian GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(ix) Deferred tax

Under Indian GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustment to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of subsidiaries. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

(x) Other Comprehensive Income

Under Ind AS all items of income and expense recognised in period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurement of defined benefit plans and fair value gains/(losses) on FVOCI debt instruments. The concept of other comprehensive income did not exist under Indian GAAP.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 5: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Cash on hand	346,494	333,093	294,146
Balances with banks			
On current accounts	2,162,363	5,454,643	31,306,520
In Exchange Earners Foreign Currency (EEFC) account	-	2,855,723	2,798,843
Total	**2,508,857**	**8,643,459**	**34,399,509**

NOTE 6: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unpaid dividend accounts	862,974	1,095,604	2,073,548
In Fixed deposit with maturity for more than 12 months*	59,121,563	94,067,726	24,664,855
Accrued interest on deposit	2,272,336	2,587,031	732,288
Total	**62,256,873**	**97,750,361**	**27,470,691**

Includes ₹25,00,000/- (previous year ₹4,07,76,767/-; As at 1 April 2018 ₹25,00,000/-) held as margin money against bank guarantee.

NOTE 7: TRADE RECEIVABLES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Receivables considered good - Secured	-	-	-
Receivables considered good - Unsecured	78,440,808	146,633,563	131,659,834
Receivables considered doubtful - Unsecured	1,182,507	3,809,851	15,583,526
Less : Provision for doubtful debts	(1,182,507)	(3,809,851)	(15,583,526)
	78,440,808	146,633,563	131,659,834
Others Receivables			
Considered good- From Others	374,352	61,063	35,399
Total Receivables	**78,815,160**	**146,694,626**	**131,695,233**

NOTE 8: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Security Deposits	6,501,723	7,612,993	7,172,572
Less: Provision for Security deposits	(798,635)	(798,635)	(798,635)
	5,703,088	6,814,358	6,373,937
Advance to employees	709,874	923,652	768,968
Other receivables	521,852	90,562	35,399
Total	**6,934,814**	**7,828,572**	**7,178,304**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 9: TAX ASSETS (NET)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advance payment of taxes and tax deducted at source (net of provisions for taxation)	12,355,700	3,548,161	4,580,003
Total	**12,355,700**	**3,548,161**	**4,580,003**

NOTE 10: INVESTMENT PROPERTY

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1 April, 2018		
	Amount			Amount			Amount		
	Land	Building	Total	Land	Building	Total	Land	Building	Total
Opening balance of gross carrying amount	6,206,799	5,969,232	12,176,031	6,206,799	5,969,232	12,176,031	6,206,799	5,969,232	12,176,031
Additions	64,627,448	43,253,113	107,880,561	-	-	-	-	-	-
Disposals	-	-	-	-		-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Closing balance of gross carrying amount	**70,834,247**	**49,222,345**	**120,056,592**	**6,206,799**	**5,969,232**	**12,176,031**	**6,206,799**	**5,969,232**	**12,176,031**
Accumulated amortization and impairment, if any									
Opening accumulated depreciation	470,249	4,108,584	4,578,833	398,194	3,983,074	4,381,268	398,194	3,983,074	4,381,268
Charge for the year	864,358	851,896	1,716,254	72,055	125,510	197,565	-	-	-
Deduction/ other adjustments	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	1,334,607	4,960,480	6,295,087	470,249	4,108,584	4,578,833	398,194	3,983,074	4,381,268
Net Block	**69,499,640**	**44,261,865**	**113,761,505**	**5,736,550**	**1,860,648**	**7,597,198**	**5,808,605**	**1,986,158**	**7,794,763**

Note:

(a) Investment property has been carried at the cost less accumulated depreciation as at 1st April 2018, as the cost and depreciation determined under the previous GAAP, in case of the Group, is in line with the principles of Ind AS 40.

(b) Includes asset given on operating lease - gross value - on 31st March 2020: INR 12,00,56,592/- (31st March 2019: INR 1,21,76,031/-, 1st April 2018: INR 1,21,76,031/-), - written down value on 31st March 2020: INR 11,37,61,505/- (31st March 2019: INR 75,97,198/- 1st April 2018: INR 77,94,763/-)

(c) INR 36,43,329/- (Previous year INR 33,58,006/-) 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, unless otherwise stated)

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land- Freehold	23,628,792	-	-	23,628,792	8,791,000	-	-	8,791,000	14,837,792	14,837,792
Buildings- Own Use	252,146,824	-	67,807,227	184,339,597	101,069,291	5,765,889	25,329,245	81,505,935	102,833,662	151,077,533
Plant and equipment	135,910,940	51,210,792	4,962,780	182,158,952	121,029,958	6,383,349	4,962,780	122,450,527	59,708,425	14,880,982
Furniture and fixture	30,342,106	27,032	475,760	29,893,378	29,679,372	227,163	460,936	29,445,599	447,779	662,734
Vehicles	4,620,432	-	1,227,792	3,392,640	2,542,525	522,479	1,227,792	1,837,212	1,555,428	2,077,907
Office equipment	14,080,740	144,004	-	14,224,744	13,790,125	133,509	-	13,923,634	301,110	290,615
Electrical installations	40,785,581	840,723	10,000	41,616,304	40,467,775	186,920	10,000	40,644,695	971,609	317,806
Air conditioners	35,668,264	260,693	332,450	35,596,507	32,800,481	656,359	304,649	33,152,191	2,444,316	2,867,783
Computers	37,657,097	179,100	1,590,732	36,245,465	35,941,528	1,004,902	1,590,732	35,355,698	889,767	1,715,569
Right of use assets	55,458,629	15,429,209	20,144,448	50,743,390	11,493,995	10,491,459	6,579,516	15,405,938	35,337,452	43,964,634
Total	**630,299,405**	**68,091,553**	**96,551,189**	**601,839,769**	**397,606,050**	**25,372,029**	**40,465,650**	**382,512,429**	**219,327,340**	**232,693,355**

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018 (Deemed cost)
Land- Freehold	23,628,792	-	-	23,628,792	8,791,000	-	-	8,791,000	14,837,792	14,837,792
Buildings- Own Use	252,146,824	-	-	252,146,824	95,004,512	6,064,779	-	101,069,291	151,077,533	157,142,312
Plant and equipment	159,621,922	4,076,448	27,787,430	135,910,940	145,997,289	2,820,099	27,787,430	121,029,958	14,880,982	13,624,633
Furniture and fixture	30,330,726	11,380	-	30,342,106	29,210,546	468,826	-	29,679,372	662,734	1,120,180
Vehicles	4,658,638	1,875,236	1,913,442	4,620,432	3,881,670	574,297	1,913,442	2,542,525	2,077,907	776,968
Office equipment	14,030,824	60,107	10,191	14,080,740	13,640,499	150,089	463	13,790,125	290,615	390,325
Electrical installations	40,785,581	-	-	40,785,581	40,026,755	441,020	-	40,467,775	317,806	758,826
Air conditioners	35,668,264	-	-	35,668,264	32,098,175	702,306	-	32,800,481	2,867,783	3,570,089
Computers	36,208,473	1,489,580	40,956	37,657,097	34,666,049	1,309,347	33,868	35,941,528	1,715,569	1,542,424
Right of use assets	51,037,392	4,421,237	-	55,458,629	1,378,481	10,115,514	-	11,493,995	43,964,634	49,658,911
Total	**648,117,436**	**11,933,988**	**29,752,019**	**630,299,405**	**404,694,976**	**22,646,277**	**29,735,203**	**397,606,050**	**232,693,355**	**243,422,460**

Footnote:

(a) During the year the Board of Directors at its meeting held on 11th February, 2020 have approved a proposal for re-development of the Parent Company's own building at Mumbai, which requires demolition of the existing building, and hence its written down value of ₹4,24,77,982/- has been written off in the books and disclosed as exceptional items for the year ended 31st March, 2020.

(b) The Group has elected to continue with carrying value for all of its Property, plant and equipment as recognized in its Indian GAAP financial statements, as its deemed cost at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1st April, 2018.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 12: INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer Software-Acquired	44,998,935	-	7,648,573	37,350,362	41,107,237	2,325,282	7,648,573	35,783,946	1,566,416	3,891,698
Technical know-how	3,775,000	-	-	3,775,000	1,153,587	756,653	-	1,910,240	1,864,760	2,621,413
Total	**48,773,935**	**-**	**7,648,573**	**41,125,362**	**42,260,824**	**3,081,935**	**7,648,573**	**37,694,186**	**3,431,176**	**6,513,111**

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018 (Deemed cost)
Computer Software-Acquired	44,750,685	248,250	-	44,998,935	38,193,010	2,914,227	-	41,107,237	3,891,698	6,557,675
Technical know-how	3,775,000	-	-	3,775,000	399,001	754,586	-	1,153,587	2,621,413	3,375,999
Total	**48,525,685**	**248,250**	**-**	**48,773,935**	**38,592,011**	**3,668,813**	**-**	**42,260,824**	**6,513,111**	**9,933,674**

The Group has elected to continue with carrying value for all of its intangible assets as recognized in its Indian GAAP financial statements, as its deemed cost at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1st April, 2018.

NOTE 13: INVESTMENTS

Particulars	As At 31 March, 2020	As At 31 March, 2019	As At 1 April, 2018
Investments measured at amortised cost			
Debt securities	343,482,865	328,297,426	273,164,041
Debentures	-	-	-
Fixed Deposits	-	24,810,333	23,178,896
Investments measured at Fair Value through Profit or Loss			
Mutual funds	1,085,601,572	1,581,763,735	2,248,876,994
Investments measured at Fair Value through Other Comprehensive Income			
Debt securities	186,193,217	322,725,045	340,263,833
Total - Gross (A)	**1,615,277,654**	**2,257,596,539**	**2,885,483,764**
Less: Allowance for Impairment loss (B)	(4,930,000)	(4,906,656)	-
Total - Net (A)-(B)	**1,610,347,654**	**2,252,689,883**	**2,885,483,764**
Investments outside India	-	-	-
Investments in India	1,610,347,654	2,252,689,883	2,885,483,764

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

DETAILS OF INVESTMENTS

(A) Non Current Investments

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
1. Investments measured at Amortised Cost							
Investments in bonds Unquoted):							
Cholamandalam Perp NCD Series PDI 10 12.90%	500,000	40	40	40	24,179,205	24,172,137	24,172,137
Tata Power Company Limited 2072 - NCD 10.75%	1,000,000	55	55	55	59,017,192	59,000,993	59,000,993
Tata Steel Limited - NCD Perpetual 11.50%	1,000,000	30	30	30	32,994,740	32,975,836	32,985,288
Canara Bank BD Perpetual - 9.55%	1,000,000	10	10	10	10,058,357	10,058,357	10,058,357
ICICI BANK AT1 - BD 9.2%	1,000,000	50	50	50	50,184,088	50,171,486	50,184,088
State bank of Mysore Perpetual - BD 9.10%	1,000,000	-	10	10	-	10,964,507	10,964,507
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	1,000,000	30	30	30	32,097,534	32,090,301	32,090,301
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	1,000,000	30	30	30	32,101,027	32,094,041	32,094,041
HDFC Bank Limited Perpetual - BD 8.85%	1,000,000	20	20	20	21,614,329	21,614,329	21,614,329
Tata Motors Finance Limited Perpetual NCD -11.10%	1,000,000	30	30	-	34,282,644	34,273,521	-
Tata Capital Financial Services Ltd 8.70%	1,000	20,000	20,000	-	20,886,685	20,881,918	-
Bajaj Finance Ltd 2027 - NCD 8.15%	1,000,000	5	-	-	5,061,719	-	-
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	20,000	-	-	21,005,345	-	-
					343,482,865	328,297,426	273,164,041
Fixed Deposits (Unquoted)							
Fixed Deposit with PNB Housing Finance Limited		-	-	-	-	24,810,333	23,178,896
					-	**24,810,333**	**23,178,896**
2. Investments measured at Fair Value through Profit or Loss							
Mutual funds (Unquoted)							
HDFC Mutual Fund							
HDFC Balance Advantage Fund -Regular Plan- Growth	10	80,070.844	230,913.644	-	12,029,924	46,428,190	-
HDFC Credit Risk Debt Fund -Growth (formerly known as HDFC Mutual Fund Corporate Debt Opportunities Fund - Regular Plan - Growth)	10	-	10,410,688.313	7,424,994.387	-	158,816,091	107,000,109
HDFC Liquid Fund-Direct Plan-Growth Option	10	-	8,809.828	-	-	32,405,063	-

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2. Investments measured at Fair Value through Profit or Loss *(contd.)*							
HDFC Regular Saving Fund - Growth	10	-	-	3,595,258.035	-	-	123,798,756
HDFC Short Term Debt Fund - Growth (formerly known as HDFC Mutual Fund Short Term Opportunities Fund - Growth)	10	-	-	2,011,527.260	-	-	38,570,432
HDFC Regular Saving Fund-Direct Plan-Growth Option	10	-	-	663,301.050	-	-	23,374,596
HDFC Banking & PSU Debt Fund-Direct Growth Option	10	-	-	2,602,051.856	-	-	36,919,473
HDFC Prudence Fund-Regular Plan-Growth	10	-	-	77,690.358	-	-	37,686,194
ICICI Mutual Fund							
ICICI Prudential Balanced Advantage Fund-Growth	10	2,378,364.858	2,378,364.858	2,106,654.922	72,706,614	84,051,414	69,751,344
ICICI Prudential Banking & PSU Debt Fund - Growth	10	1,036,185.396	-	-	24,000,437	-	
ICICI Prudential Credit Risk Fund-Growth (formerly known as ICICI Prudential Mutual Fund Regular Savings Fund -Regular Plan-Growth)	10	-	1,087,164.702	1,087,164.702	-	21,585,112	20,182,669
ICICI Prudential Credit Risk Fund - Direct Plan - Growth (formerly known as ICICI Prudential Mutual Fund Regular Saving Fund-Direct Plan- Growth)	10	-	2,059,707.942	1,034,040.617	-	43,284,350	20,124,188
ICICI Prudential Floating Interest Fund - Direct Plan - Growth	10	-	63,632.661	-	-	18,505,784	
ICICI Prudential Floating Interest Fund-Growth	10	-	286,376.167	-	-	79,630,673	
ICICI Prudential Liquid Plan-Growth	10	-	-	15,630.892	-		4,005,243
Kotak Mahindra Mutual Fund							
Kotak Credit Risk Fund - Growth - Direct (formerly known as Kotak Mutual Fund Income Opportunity Fund-Direct Plan-Growth)	10	-	495,091.508	495,091.508	-	10,662,984	9,938,219
Birla Sun Life Mutual Fund							
Birla Sun Life Banking & PSU DEBT Fund -Gr -Regular Plan	10	307,406.537	-	-	80,501,411	-	-
Birla Sun life Floating Rate Fund -Growth -Regular Plan	10	319,542.346	805,828.740	-	79,304,690	185,029,480	-
Birla Sunlife Short Term Opportunities Fund - Growth -Regular Plan	10	-	-	1,199,036.180	-	-	34,598,549
Birla Sun Life Medium Term Plan -Growth-Regular Plan	10	-	-	8,321,461.244	-	-	182,886,579

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2. Investments measured at Fair Value through Profit or Loss *(contd.)*							
Birla Sun Life credit risk Fund - Growth-Regular (formerly known as Birla Sun Life Mutual Fund Corporate Bond Fund - Growth Regular)	10	-	-	8,002,321.144	-	-	103,554,837
Birla Sun Life Dynamic Bond Fund -Retail-Growth-Regular Plan	10	-	-	2,672,721.478	-	-	80,134,872
Birla Sun Life Liquid Fund- Growth - Direct Plan (formerly known as Birla Sun Life Mutual Fund Cash Plus - Growth - Direct Plan)	10	-	-	18,500.456	-	-	5,167,447
Birla Sun Life Banking & PSU Debit Fund Growth- Direct Plan	10	-	-	392,058.464	-	-	20,550,529
Nippon India Mutual Fund (Formerly known as Reliance Mutual Fund)							
Nippon India Liquid Fund -Direct-Growth Plan-Growth (formerly known as Reliance Mutual Fund Liquid Fund-Direct- Growth Option)	1,000	-	18,854.704	4,470.418	-	86,013,065	18,950,744
Nippon India Credit Risk Fund - Direct Plan - Growth Plan (formerly known as Reliance Mutual Fund Credit Risk Fund-Direct Plan-Growth Plan	10	-	3,232,715.865	3,233,349.642	-	87,915,648	83,488,140
Nippon India Low Duration Fund - Direct Growth Plan (formerly known as Reliance Mutual Fund Low Duration Fund-Direct Growth Plan	10	-	4,548.484	-	-	12,009,811	-
Nippon India Dynamic Bond Fund-Growth Plan (formerly known as Reliance Mutual Fund Dynamic Bond Fund -Growth)	10	-	-	340,357.350	-	-	7,886,761
Nippon India Short Term Fund -Direct Growth Plan-Growth option (formerly known as Reliance Mutual Fund Short Term Fund-Direct Growth Plan-Growth Option)	10	-	-	4,090,502.486	-	-	137,709,220
Nippon India Prime Debt Fund - Growth Plan - Growth Option (formerly known as Prime Debt Fund - Growth Plan- Growth Option)	10	-	-	4,973,980.224	-	-	181,155,344
Nippon India Strategic Debt fund - Direct Growth Plan (formerly known as Reliance Mutual Fund Corporate Bond Fund Direct Growth)	10	-	-	2,596,025.929	-	-	37,566,312
Nipppon India Liquid Fund - Treasury Plan - Growth Plan - Growth Option (formerly known as Reliance Mutual Fund Liquid Fund -Treasury Plan-Growth)	10	-	-	1,804.280	-	-	7,616,695

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2. Investments measured at Fair Value through Profit or Loss *(contd.)*							
SBI Mutual fund							
SBI Short Term Debt Fund-Regular Plan-Growth	10	1,741,936.399	-	2,407,321.970	40,617,428	-	48,209,271
SBI Magnum Ultra Short Duration Fund Regular Growth	10	12,340.959	12,340.959	-	54,895,233	51,173,064	-
Franklin Templeton Mutual Fund							
Franklin India Ultra Short Bond Fund - Super Institutional Plan	10	2,396,689.196	-	-	65,922,614	-	-
Franklin India Income Opportunities Fund - Growth	10	-	4,280,678.965	4,280,669.703	-	95,539,190	88,401,394
Franklin India Credit Risk Fund - Growth	10	-	5,912,490.949	5,912,490.949	-	115,760,660	106,679,665
Franklin India Short Term Income Plan - Retail Plan	10	-	21,776.152	21,776.152	-	87,045,142	79,924,129
Franklin India Short Term Income Plan -Direct -Retall Plan	10	-	18,692.012	18,692.012	-	78,425,877	71,462,153
Franklin India Low Duration Fund - Growth	10	-	4,698,933.391	354,092.895	-	102,154,812	7,187,130
Franklin India Banking and PSU Debt Fund - Direct - Growth	10	11,242,454.050	-	-	190,209,956	-	-
Franklin india liquid super institutional plan growth	1,000	25,937.976	-	-	77,047,147	-	-
Franklin India Short term Income Plan- Retail Plan- Segregated Portfolio 2 (10.90% Vodafone Idea Ltd 02Sep2023 (P/C 03Sep2021)- Growth Option)	10	21,776.152	-	-	-	-	-
Franklin India Ultra Short Bond Fund- Super Inst Plan- Segregated Portfolio 1 (8.25% Vodafone Idea Ltd- 10JUL20-Growth Option)	10	2,396,689.196	-	-	-	-	-
Franklin India Short-term Income Plan- Retail Plan - Segregated Portfolio 1 (8.25% Vodafone Idea Ltd-10JUL20- Growth Option)	10	21,776.152	-	-	-	-	-
Invesco Mutual Fund							
Invesco India Ultra Short Term Fund Plan Growth (formerly known as Religare Mutual Fund Ultra Short Term Debt Fund-Direct-Growth)	10	10,022.335	10,022.335	10,022.335	20,429,097	19,125,560	17,771,449
Invesco India Short Term Fund - Direct Plan Growth (formerly known as Religare Mutual Fund Short Term Fund-Direct Plan Growth)	10	812.129	812.129	-	2,282,224	2,076,771	-
Invesco India Treasury Advantage Fund - Growth	10	4,359.096	-	-	12,161,866	-	-

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2. Investments measured at Fair Value through Profit or Loss *(contd.)*							
Invesco India Ultra short Term Fund - Direct Plan Growth (formerly known as Religare Mutual Fund medium Term bond Fund-Direct Growth)	10	-	-	35,303.330	-	-	64,232,008
L & T Mutual Fund							
L&T Mutual Fund Low Duration Fund-Direct Plan-Growth	10	2,331,343.358	2,086,696.380	2,884,119.458	50,174,705	42,662,507	54,718,380
L & T Mutual Fund Triple Ace Bond Fund Direct Plan-Growth	10	748,456.718	211,941.640	-	41,364,733	10,263,020	-
L & T Mutual Fund Money Market Fund -Direct Plan -Growth	10	-	-	2,203,392.004	-	-	38,567,513
IDFC Mutual Fund							
IDFC Mutual Fund Corporate Bond Fund Direct Plan-Growth	10	8,172,767.048	4,876,813.116	4,876,813.116	114,113,077	62,717,767	58,376,917
IDFC Mutual Fund Banking & PSU Debt Fund-Direct Plan-Growth	10	744,379.932	-	-	13,372,115	-	-
IDFC Mutual Fund Banking & PSU Debt Fund - Regular Plan - Growth	10	2,277,497.963	-	-	40,409,874	-	-
IDFC Mutual Fund Equity Savings Fund - Direct Plan -monthly dividend Payout (formerly known as IDFC Mutual Fund Arbitrage Plus Fund-Direct Plan-Dividend Payout)	10	-	-	687,307.989	-	-	8,479,800
IDFC Mutual Fund Money Manager Fund - Investment Plan - Growth -Regular Plan	10	-	-	668,527.826	-	-	17,962,273
Mahindra Mutual Fund							
Mahindra Liquid Fund- Direct -Growth	10	5,374.192	2,898.253	-	6,925,624	3,511,002	-
Mirae Mutual Fund							
Mirae Asset Cash Management Fund - Direct Plan Growth	10	4,875.248	3,866.954	-	10,211,799	7,623,732	-
LIC Mutual Fund							
LIC Mutual Fund Saving Fund - Direct Plan - Growth	10	2,498,222.036	-	-	76,921,006	-	-
BNP PARIBAS Mutual Fund							
BNP Paribas Liquid Fund Growth	10	-	13,077.803	-	-	37,346,967	-
BNP Paribas Flexi Debt Fund - Growth	10	-	-	1,531,473.657	-	-	45,407,428
BNP Paribas Medium Term Fund-Direct Plan-Growth (formerly known as BNP Paribas Medium Term Income fund -Direct Plan-Growth)	10	-	-	4,936,864.801	-	-	70,745,273
BNP Paribas Medium Term Fund-Growth (formerly known as BNP Paribas Medium Term Income Fund -Growth)	10	-	-	2,599,321.635	-	-	36,034,396

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(A) Non Current Investments (contd.)

Particulars	Face Value	Nos			Amount		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2. Investments measured at Fair Value through Profit or Loss *(contd.)*							
Edelweiss Mutual Fund							
Edelweiss Arbitrage Fund Dividend Option - Payout	10	-	-	1,936,145.908	-	-	20,265,639
Edelweiss Equity Savings Advantage Fund - Regular Plan Dividend - Payout	10	-	-	491,197.564	-	-	5,342,412
Edelweiss Equity Savings Advantage Fund - Direct Plan Dividend - Payout	10	-	-	1,418,003.278	-	-	16,492,513
					1,085,601,572	**1,581,763,735**	**2,248,876,994**
3. Investments measured at Fair Value through Other Comprehensive Income							
Debt Securities							
Bonds & debentures (Unquoted)							
Tata Steel Limited - NCD Perpetual 11.80%	1,000,000	55	55	55	58,034,776	57,674,911	59,416,211
LIC Housing Finance Limited 2020 - NCD 8.95%	1,000,000	10	10	10	10,594,105	10,549,245	10,618,055
Fullerton India Credit Company Limited 2019 - NCD 8.9%	1,000,000	-	-	50	-	-	52,342,276
LIC Housing Finance Limited 2019 - NCD 8.38 %	1,000,000	-	-	50	-	-	51,722,452
India Bulls Housing Finance Limited 2019 - NCD 9%	1,000,000	-	5	5	-	5,201,493	5,093,199
IDFC Bank Ltd 2020 - NCD 8.64%	1,000,000	17	17	17	18,410,830	18,395,744	18,601,065
CFHL (Series 8) - NCD 8.85%	1,000,000	-	12	-	-	12,138,079	-
Can Fin Home Finance 2020 7.68%	1,000,000	14	14	-	13,752,810	13,749,864	-
HDFC Ltd - NCD 10.98%	10,000,000	5	5	-	55,803,101	56,706,460	-
Bajaj Finance Ltd 01/06/2020 - NCD 9.5%	1,000,000	5	-	-	5,417,595	-	-
IDFC Bank Ltd 2020 - NCD 8.63%	1,000,000	-	5	5	-	5,032,300	5,072,725
L&T Housing and Finance Limited JULY 2019 - NCD 8.70%	2,500,000	-	20	20	-	53,004,552	52,999,452
Edelweiss Asset Reconstruction Company 2019 - NCD 10.25%	100,000	-	500	500	-	63,842,397	58,717,398
					162,013,217	296,295,045	314,582,833
Preference Shares (Unquoted)							
L & T Finance Holding Ltd.- Preference Shares - 8.15%	100	200,000	200,000	200,000	19,250,000	21,500,000	20,326,000
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	340	340	340	4,930,000	4,930,000	5,355,000
Total - Gross					24,180,000	26,430,000	25,681,000
Less: Allowance for Impairment loss					(4,930,000)	(4,906,656)	
Total - Net					19,250,000	21,523,344	25,681,000
Total Investments- Gross					1,615,277,654	2,257,596,539	2,885,483,764
Total Impairment					(4,930,000)	(4,906,656)	-
Total Investments- Net					**1,610,347,654**	**2,252,689,883**	**2,885,483,764**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 14: INVENTORIES (AT COST OR NET REALISABLE VALUE)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Raw materials and components	16,439,521	21,011,784	38,338,102
Work-in-progress	10,588,780	575,687	31,403
Finished goods	2,305	20,452	3,608,700
Traded goods	70,504,627	146,312,647	105,997,359
(including Goods-in-transit ₹20,573,143/- (As at 31st March, 2019 ₹2,049,301/-; As at 1st April, 2018 ₹7,138,187/-))			
Stores, spares and packing materials	684,318	1,086,563	4,261,665
Total	**98,219,551**	**169,007,133**	**152,237,229**

NOTE 15: OTHER NON FINANCIAL ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Capital Advances	-	4,459,381	1,291,550
Advance to vendor	6,776,401	9,121,360	8,486,541
Balance with government authorities	50,310,743	50,883,502	54,863,825
Prepaid expenses	3,149,880	3,979,445	2,968,151
Total	**60,237,024**	**68,443,688**	**67,610,067**

NOTE 16: TRADE PAYABLES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Total outstanding dues of micro, small and medium enterprises (refer foot note below)	150,202	359,705	843,404
Total outstanding dues of creditors other than micro, small and medium enterprises	124,837,054	137,794,100	150,015,445
Total	**124,987,256**	**138,153,805**	**150,858,849**

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

Note :

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding principal amount and interest as on 31st March.		
- Principal Amount	150,202	359,705
- Interest due thereon	-	1,226
Amount of interest paid along with the amounts of payment made beyond the appointed day	1,226	18,833
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	4,778	16,657
The amount of interest accrued and remaining unpaid at the end of each accounting year	21,435	17,883
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, unless otherwise stated)

NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Borrowings measured at Amortised Cost			
Secured			
Loans repayable on demand	-	-	526,074
Bank Overdraft	39,148,673	77,502,757	9,117,885
Unsecured			
Loans from director	184,480,989	116,801,754	30,660,822
Lease liabilities	43,735,255	43,415,301	46,546,441
Total	**267,364,917**	**237,719,812**	**86,851,222**
Borrowings in India	267,364,917	237,719,812	86,851,222
Borrowings outside India	-	-	-
Total	**267,364,917**	**237,719,812**	**86,851,222**

Terms and conditions:

Secured Loan:

Bank Overdraft of Synegra EMS Limited is secured by charge on its Fixed Deposits and that of Digisol Systems Limited is secured by charge ranking pari passu, by way of hypothecation of all existing and future current assets, Bank Guarantee from Smartlink Holdings Limited (Holding Company).

Unsecured Loan:

Loan from Director taken for a tenure of 90 days with an option to roll over for further 4 term of 90 days each.

NOTE 18: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Deposits	4,423,111	4,383,529	3,465,417
Unpaid dividend #	862,974	1,095,604	2,073,548
Interest accrued on delayed payment to MSME (Refer Note 15)	21,435	17,883	24,701
Capital creditors	-	-	177,509
Asset Retirement Obligation	673,763	569,109	525,124
Total	**5,981,283**	**6,066,125**	**6,266,299**

During the year ₹2,27,230/- (Previous year ₹9,67,482/-) was transferred to the Investor Protection and Education Fund.

NOTE 19: PROVISIONS

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Provision for gratuity (funded)	3,138,056	1,871,057	1,224,176
Provision for leave encashment (unfunded)	2,838,292	3,292,377	3,228,281
Total	**5,976,348**	**5,163,434**	**4,452,457**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 20: DEFFERED TAX LIABILITY (NET)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(A) Deferred tax relates to the following:			
Deferred tax assets			
On account of timing difference in retiral and other employee benefits	348,877	1,225,020	2,399,571
On account of fair value of financial assets designated at FVTOCI	1,608,776	1,658,710	(948,246)
Provision for doubtful debts	201,000	232,563	232,563
Others	70,082	34,944	
	2,228,735	3,151,237	1,683,888
Deferred tax liabilities			
On property, plant and equipment	13,711,542	14,890,470	14,243,639
On account of fair value of financial assets designated at FVTPL	16,365,213	31,201,496	33,298,382
Other temporary differences	-	35,390	-
	30,076,755	46,127,356	47,542,021
Deferred tax liability (Net)	**27,848,020**	**42,976,119**	**45,858,133**

Particulars	Amount
(B) Reconciliation of deferred tax assets/(liabilities) (net):	
Opening balance as of 1 April, 2018	(45,858,133)
Tax assets / (liabilities) recognized in Statement of Profit and Loss	960,766
Tax assets / (liabilities) recognized in OCI	
On re-measurements gain/(losses) of post-employment benefit obligations	(1,547)
Tax assets / (liabilities) recognized directly in equity	
On convertible preference shares	1,922,795
Closing balance as at 31 March, 2019	(42,976,119)
Tax assets / (liabilities) recognized in Statement of Profit and Loss	14,142,268
Tax assets / (liabilities) recognized in OCI	
On re-measurements gain/(losses) of post-employment benefit obligations	137,568
Tax assets / (liabilities) recognized directly in equity	
On convertible preference shares	848,263
Closing balance as at 31 March, 2020	**27,848,020**

NOTE 21: OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Provision of GST for Inventory held in trust	17,284,143	15,186,178	22,845,435
Statutory dues payable	1,378,712	1,557,706	3,945,409
Revenue received in advance	5,712	17,136	28,560
Advances from clients/customers	8,121,950	362,422	589,052
Advance rent received	61,932	138,051	256,057
Total	**26,852,449**	**17,261,493**	**27,664,513**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 22: EQUITY SHARE CAPITAL

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorized			
35,000,000 Equity Shares of INR 2/- each	70,000,000	70,000,000	70,000,000
	70,000,000	**70,000,000**	**70,000,000**
Issued, Subscribed and paid up			
16,950,000 (Previous year 22,550,000; As at 01 April 2018 22,550,000) Equity Shares of ₹2/- each, fully paid-up	33,900,000	45,100,000	45,100,000
Less: 36,50,000 (Previous Year: 56,00,000) Equity Shares purchased under Buy-back scheme	7,300,000	11,200,000	-
Total	**26,600,000**	**33,900,000**	**45,100,000**

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Outstanding at the beginning of the year	16,950,000	22,550,000	22,550,000
Add: Issued during the year - Bonus	-	-	-
Less: Bought back during the year	(3,650,000)	(5,600,000)	-
Outstanding at the end of the year	**13,300,000**	**16,950,000**	**22,550,000**

The Board of Directors of the Company at its meeting held on 14th June, 2019 and 31st July, 2019 and the Shareholders of the Company through postal ballot on 30th July, 2019 had approve the proposal of the Company to buy-back upto 36,50,000 fully paid-up equity shares of ₹2/- each at a price of ₹130/- per share (aggregating to 19.65% of the fully paid-up Equity Share Capital and Free Reserves of the Company), payable in cash for an agreetate amount not exceeding ₹47,45,00,000 /- from the existing shareholders of the Company under Tender Offer Mechanism. The offer was kept open from 18th October, 2019 to 04th November, 2019. The Company had bought back 36,50,000 Equity Shares and the shares were extinguished on 19th November, 2019.

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹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 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	6,650,000	50.00%	8,495,878	50.12%	11,488,272	50.95%
Ms. Arati K. Naik	1,330,000	10.00%	1,695,006	10.00%	2,255,000	10.00%
Mrs. Lakshana A. Sharma	1,130,500	8.50%	1,300,874	7.67%	1,664,486	7.38%
Mrs. Sudha K. Naik	665,000	5.00%	847,540	5.00%	1,127,500	5.00%

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and 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 oustanding
31.03.2020	3,650,000	13,300,000
31.03.2019	5,600,000	16,950,000
31.03.2018	-	22,550,000
31.03.2017	7,454,850	22,550,000
31.03.2016	-	30,004,850

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 23: OTHER EQUITY

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Securities Premium Reserve	-	-	278,614,693
General Reserve	556,720,271	556,720,271	556,720,271
Capital Redemption Reserve	33,409,700	26,109,700	14,909,700
Capital contribution	9,294,580	5,669,165	-
FVTOCI Reserve on financial instruments	(324,346)	2,197,795	1,948,005
FVTOCI Reserve on defined benefit plans	(2,195,496)	(212,564)	-
Statutory Reserve	22,003,927	22,003,927	22,003,927
Surplus in Statement of Profit & Loss	1,182,825,605	1,903,157,834	2,324,213,999
Total	**1,801,734,241**	**2,515,646,128**	**3,198,410,595**

(A) Securities Premium Reserve*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	-	278,614,693	
Add / (Less): Amount utilized towards purchase of shares under buyback scheme	-	(278,614,693)	
Closing balance	**-**	**-**	**278,614,693**

*Securities premium is used to record the premium on issue of shares. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

(B) General Reserve*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	556,720,271	556,720,271	
Add / (Less): Transfer from Surplus in Profit and Loss account	-	-	
Closing balance	**556,720,271**	**556,720,271**	**556,720,271**

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

(C) Capital Redemption Reserve*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	26,109,700	14,909,700	
Add: 3,650,000 Equity Shares (Previous year 5,600,000) of ₹2/- each purchased under buyback scheme	7,300,000	11,200,000	
Closing balance	**33,409,700**	**26,109,700**	**14,909,700**

*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.

(D) Capital contribution*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	5,669,165	-	
Add / (Less): Change during the year	3,625,415	5,669,165	
Closing balance	**9,294,580**	**5,669,165**	**-**

*Under Indian GAAP, below market rate of interst loan to subsidiaries was not accounted for seperately. Under Ind AS the benefit received by subsidiaries is shown as investment and the benefit given to Parent company is recognised as Capital contribution.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(E) FVTOCI Reserve on Financial Instruments*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	2,197,795	1,948,005	
Net fair value gain/ (loss) on financial instruments	(2,522,141)	249,790	
Closing balance	**(324,346)**	**2,197,795**	**1,948,005**

*The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. 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.

(F) FVTOCI Reserve on defined benefit plans*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	(212,564)	-	
Net fair value gain/ (loss) on financial instruments	(1,982,932)	(212,564)	
Closing balance	**(2,195,496)**	**(212,564)**	**-**

*Under Ind AS, remeasurements i.e acturial 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. Under the previous GAAP , these remeasurment were forming part of the statement of profit and loss for the year.

(G) Statutory Reserve*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	22,003,927	22,003,927	
Add / (Less): Transfer from Surplus in Statement of Profit and loss	-	-	
Closing balance	**22,003,927**	**22,003,927**	**22,003,927**

*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

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening balance	1,903,157,834	2,324,213,999	
Add : Net profit / (loss) for the year	(142,655,695)	(29,491,856)	
Amount available for appropriations	**1,760,502,139**	**2,294,722,143**	
Less : Appropriations			
Less: Paid to Shareholders for purchase of shares under buyback scheme	(474,500,000)	(393,385,307)	
Less: Buyback Tax	(106,076,367)	-	
Share in Loss attributable to Minority Interest	2,899,833	1,820,998	
Closing balance	**1,182,825,605**	**1,903,157,834**	**2,324,213,999**

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

NOTE 24: NON-CONTROLLING INTEREST

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening	4,522,631	6,343,629	
Add : Loss for the period	(2,899,833)	(1,820,998)	
Add : Re-measurement gains / (losses) on defined benefit plans		-	
Total	1,622,798	4,522,631	6,343,629

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 25: INTEREST INCOME

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On financial assets measured at FVTOCI		
Interest on bonds	20,779,118	28,949,835
Interest on preference shares	2,049,866	2,028,175
	22,828,984	30,978,010
On Financial Assets measured at Amortised Cost		
Interest on deposits with banks	7,051,930	5,413,577
Interest on deposits with financial institutions	1,582,935	1,829,990
Interest Income on bonds	31,507,461	29,253,913
Interest Income on security deposits	314,724	273,021
Interest Income - others	381,303	45,077
Total	**63,667,337**	**67,793,588**

NOTE 26: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES*

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On financial instruments designated at fair value through profit or loss	73,955,291	106,619,988
Total	**73,955,291**	**106,619,988**
Fair Value changes:		
- Realised	113,853,261	115,755,515
- Unrealised	(39,897,970)	(9,135,527)
Total	**73,955,291**	**106,619,988**

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

NOTE 27: REVENUE FROM CONTRACTS WITH CUSTOMER

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Sale of goods	565,281,524	844,492,710
Sale of services	42,053,681	40,400,338
Other Operating Activities		
Sundry balances written back	-	426,716
Recovery of trade receivables earlier written off	594,184	210,280
Process Scrap income	387,813	374,011
Total	**608,317,202**	**885,904,055**

NOTE 28: OTHER INCOME

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Foreign exchange gain / (loss) (net)	-	2,625,727
Provision for doubtful trade receivable written back	2,627,344	11,773,676
Miscellaneous Income	1,265,779	-
Gain on derecognition of financial instrument measured at amortised cost	1,288,572	-
Gain on sale of property, plant and equipment	253,072	1,645,333
Scrap Income	-	21,120
Total	**5,434,767**	**16,065,856**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 29: FINANCE COSTS

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Interest on bank overdraft account	3,688,816	3,152,227
Interest on deposits	141,545	-
Interest on delayed payments to MSME Vendors	4,778	16,657
Interest on others	1,593,275	1,742,697
Interest on loan from directors	14,499,236	5,323,166
Interest on borrowings	4,513,263	4,217,000
Total	**24,440,913**	**14,451,747**

NOTE 30: IMPAIRMENT OF FINANCIAL INSTRUMENTS

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
On Financial instruments measured at fair value through OCI		
Investments in preference shares	-	4,930,000
Total	**-**	**4,930,000**

NOTE 31: PURCHASE OF TRADED GOODS

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Networking products	340,469,704	484,998,966
Total	**340,469,704**	**484,998,966**

NOTE 32: (INCREASE) / DECREASE IN INVENTORIES FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Inventories at the beginning of the year		
Finished goods		
- Manufactured	20,452	3,608,700
- Traded	146,312,647	105,997,359
Work-in-progress	575,687	31,403
	146,908,786	**109,637,462**
Less: Inventories at the end of the year		
Finished goods		
- Manufactured	2,305	20,452
- Traded	70,504,627	146,312,647
Work-in-progress	10,588,780	575,687
	81,095,712	**146,908,786**
Net decrease / (increase) in inventories	**65,813,074**	**(37,271,324)**

NOTE 33: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Salaries and wages	164,680,203	149,364,770
Contribution to provident and other funds	5,424,243	5,027,777
Staff welfare expenses	5,911,808	7,349,186
Gratuity expenses (Refer Note 41)	1,488,955	1,370,900
Total	**177,505,209**	**163,112,633**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 34: DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Depreciation on property, plant and equipment	25,372,029	22,646,277
Amortization on Intangible Assets	3,081,935	3,668,813
Depreciation on Investment Property	1,716,254	197,565
Total	**30,170,218**	**26,512,655**

NOTE 35: OTHER EXPENSES

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Lease Rent and License Fees	1,467,771	1,834,090
Repairs and maintenance		
- Machinery	496,805	671,429
- Others	4,572,466	5,124,288
Communication Expenses	3,470,122	4,070,672
Printing and stationery Expenses	937,903	759,591
Advertisement and publicity Expenses	13,318,834	21,367,096
Director's fees	5,004,560	5,136,933
Auditor's fees and Expenses (Refer footnote)	1,914,267	1,752,580
Legal and Professional charges (Refer footnote)	35,927,314	38,347,591
Insurance charges	4,516,611	5,326,674
Consumption of store and spares	1,302,407	2,250,692
Power and fuel	10,770,137	11,119,223
Rates and taxes	3,866,587	8,929,708
Servicing Expenses	7,796,174	8,064,367
Computer consumables, software and maintainence charges	4,137,645	3,434,101
Office Expenses	2,695,600	2,400,316
Bank charges and commission	819,925	1,502,154
Frieght Outward	13,871,893	14,675,343
Differential Excise duty paid	-	4,049,251
Foreign exchange gain / (loss) (net)	62,617	-
Travel and conveyance expenses	12,631,659	12,838,035
Excise Duty paid (Refer note 39)	18,449,072	-
Application, Registration & Filing Fees	2,540,022	5,597,880
Bad debts written off	122,004	8,331,020
Donation	-	3,645
Expenditure on Corporate Social responsibility (Refer Note 49)	5,374,560	1,998,727
Sundry Balance written off	285,838	-
Miscellaneous Expense	5,569,799	4,042,939
Total	**161,922,592**	**173,628,345**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 35: OTHER EXPENSES *(Contd.)*

Payment to Auditors

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Charged to Auditor's fees and expenses		
Statutory audit fees including GST expensed	1,781,000	1,736,800
Reimbursement of expenses including GST expensed	133,267	15,780
	1,914,267	1,752,580
Charged to Legal and Professional fees:		
Other certification fees including GST charged expensed	196,200	85,000
Total	**2,110,467**	**1,837,580**

NOTE 36: INCOME TAX EXPENSE

(Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20th September, 2019, the Parent Company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year).

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
A. Tax expense		
- Current tax	17,338,000	32,110,000
- Adjustments in respect of current income tax of previous year	(8,226,038)	288,189
- Deferred tax charge / (credit)	(14,142,268)	(960,766)
Income tax expense reported in the statement of profit or loss	(5,030,306)	31,437,423
B. Income tax expense charged to OCI		
Unrealised (gain)/loss on FVTOCI debt securities	137,568	(1,547)
Net loss/(gain) on remeasurements of defined benefit plans	848,263	1,922,795
Income tax charged to OCI	985,831	1,921,248
C. Reconciliation of tax expenses and the accounting profit multiplied by Statutory tax rate		
Profit/(loss) before tax	(147,686,001)	1,945,567
Income tax expense at applicable tax rate 25.17% (Previous year 29.12%)	(37,172,566)	566,549
Tax effect of amounts which are not deductible in calculating taxable income		
- Corporate social responsibility expenditure	723,386	356,349
- Disallowance under section 14A	1,403,851	1,711,521
- Write-down of assets	10,691,713	-
- Permanent Diminution	-	-
- Others	863,563	1,944,029
Tax effect of amounts which are deductible in calculating taxable income		
- Dividend Income	(410,271)	(693,600)
Impact due to change in tax rates	(5,855,849)	-
Effect of unrecognized deferred tax assets (net)	32,951,905	27,437,271
Adjustment of current tax relating to previous years	(8,226,038)	288,189
Income tax expense	**(5,030,306)**	**31,610,308**

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

The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of Indian Accounting Standard (IndAS) 21, 'Consolidated Financial Statements' (IndAS) 110, as notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The CFS comprises the financial statements of Smartlink Holdings Limited and its subsidiaries. References in these notes to Smartlink, Company, Companies, Parent Company or Group shall mean to include Smartlink Holdings Limited or any of its subsidiaries, unless otherwise stated.

The notes and significant accounting policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies which represent the required disclosure.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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

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

Name of the Company	Nature of business	% of shareholding
Digisol Systems Limited	Developing, manufacturing, selling, marketing and servicing of various categories of Networking and Information Technology (IT) products.	100%
Synegra EMS Limited	Manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business).	100%
Telesmart SCS Limited	Manufacture of various categories of electronic and IT products.	80%

NOTE 38: EARNINGS/ LOSS PER SHARE

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

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

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Ordinary equity shareholders		
Loss attributable to ordinary equity holders	(139,755,862)	(27,670,858)
Weighted average number of equity shares	15,623,634	18,449,589
Face Value per share	2	2
Basic earnings per share (INR)	(8.95)	(1.50)
Diluted earnings per share (INR)	(8.95)	(1.50)

NOTE 39: CONTINGENT LIABILITIES

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
1. Disputed demand of Value Added Tax at Dharamtala Circle, Kolkata. During the ' previous year, INR 11,96,249/- amounting to 35% of the tax demand was paid as a settlement under West Bengal Sales Tax (Settlement of Dispute) Act, 1999	-	-	5,107,661
2. Disputed demand of excise duty in connection with valuation of products manufactured by the Company pending before CESTAT During the year, the Company has incurred a one time expense of INR 1,84,49,072/- included in other expenses (Note 34) towards settlement of the disputed excise duty liabilities under the Sabka Vishwas legacy dispute resolution scheme rules 2019 announced by the Govt of India.	-	27,315,672	27,315,672
3. Disputed penalty demands of Excise Authorities with regard to (2) above, pending before the CESTAT.	-	39,078,633	39,078,633
4. Disputed demand of Maharashtra Value Added Tax pending with Deputy Commissioner of Sales Tax, Mumbai	-	266,140	-
5. Corporate guarantees given in favour of banks on behalf of Digisol Systems Limited (Wholly owned subsidiary)			
HDFC Bank Limited	200,000,000	200,000,000	40,000,000
Kotak Mahindra Bank	-	-	50,000,000
	200,000,000	**266,660,445**	**161,501,966**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 40: CAPITAL AND OTHER COMMITMENTS

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Estimated amount of contracts remaining to be executed on capital account	27,504,000	139,601,292	92,500,000
Non-cancellation lease liabilities (Refer Note 42)	122,821,978	88,189,162	103,582,447

NOTE 41: 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 31 March, 2020	For the Year Ended 31 March, 2019
Employers' Contribution to Provident Fund, Pension Scheme and Employee State Insurance (Refer note 33)	5,424,243	5,027,777

(B) Defined benefit plans

a) Gratuity payable to employees

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
i) Actuarial assumptions			
Discount rate (per annum)			
- Smartlink Holdings Limited	6.62%	7.60%	7.42%
- Digisol Systems Limited	6.77%	7.66%	7.72%
- Synegra EMS Limited	6.66%	7.66%	7.64%
- Telesmart SCS Limited	6.53%	7.66%	7.72%
Rate of increase in Salary	5.00%	5.00%	5.00%
Mortality	IALM (2012-14) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult
ii) Changes in the present value of defined benefit obligation			
Present value of obligation at the beginning of the year	14,431,170	12,605,531	11,331,012
Interest cost	1,084,782	927,203	625,258
Past service cost	-	-	1,481,395
Current service cost	1,413,847	1,322,515	1,471,808
Benefits paid	(7,395,103)	(448,264)	(3,575,607)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	1,354,789	17,829	(958,465)
Actuarial (gain)/ loss on obligations - Due to experience	369,478	6,356	2,230,130
Present value of obligation at the end of the year	**11,258,963**	**14,431,170**	**12,605,531**
iii) Change in the fair value of plan assets:			
Opening fair value of plan assets	12,560,113	11,381,355	11,090,441
Adjustment to Opening Fair Value of Plan Asset	227,062	230,735	40,983
Expected return on plan assets	1,009,674	878,817	730,607
Contributions by employer	2,115,394	704,302	3,154,508
Benefits paid	(7,395,103)	(448,264)	(3,575,607)
Return on plan assets excluding interest income	(396,233)	(186,832)	(59,577)
Closing fair value of plan assets	**8,120,907**	**12,560,113**	**11,381,355**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 41: EMPLOYEE BENEFITS *(Contd.)*

iv) Expense recognized in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Current service cost	1,413,847	1,322,515
Past service cost	-	
Interest cost	75,108	48,386
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	-	-
Total expenses recognized in the Statement Profit and Loss*	**1,488,955**	**1,370,901**

*Included in Employee benefits expense (Refer Note 33). Actuarial loss of INR 21,20,600/- (31st March, 2019: INR 2,11,017/-) is included in other comprehensive income.

v) Expense recognized in Other comprehensive income

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Actuarial (gain) / loss on Obligation for the period	1,724,267	24,185
Return on plan assets excluding interest income	396,233	186,832
Net actuarial (gains) / losses recognised in OCI	**2,120,500**	**211,017**

vi) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Present value of obligation as at the end of the year	11,258,963	14,431,170	12,605,531
Fair Value of Plan Assets at the end of the year	8,120,907	12,560,113	11,381,355
Funded Status (Surplus / (Deficit))	(3,138,056)	(1,871,057)	(1,224,176)
Net asset / (liability) recognized in Balance Sheet*	**(3,138,056)**	**(1,871,057)**	**(1,224,176)**

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

vii) Expected contribution to the fund in the next year INR 14,74,994/-

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

Particulars	For the Year Ended 31 March, 2020		For the Year Ended 31 March, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
1% increase in defined benefit obligation	9,632,399	12,356,879	8,859,855	11,439,287
1% decrease in defined benefit obligation	12,457,414	9,663,918	11,421,132	8,833,507

ix) Maturity profile of defined benefit obligation

Year	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
Apr 2020- Mar 2021	53,463	114,081
Apr 2021- Mar 2022	367,897	137,396
Apr 2022- Mar 2023	196,185	400,837
Apr 2023- Mar 2024	149,867	228,924
Apr 2024- Mar 2025	151,504	470,752
Apr 2025 onwards	4,991,242	8,843,861

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 42: 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 relating to the head lease in its statement of financial position. During the term of the sublease, the intermediate lessor: Recognises a depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sublease.

Further Ind AS 116 requires inclusion of variable lease payments based on Index or a rate.

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
Balance as on 01 April 2018	-	-	-
Reclassified on account of adoption of Ind AS 116	48,239,699	1,419,212	49,658,911
Additions	4,339,637	81,600	4,421,237
Depreciation	9,802,126	313,388	10,115,514
Balance as on 31 March 2019	**42,777,210**	**1,187,424**	**43,964,634**
Additions	14,968,811	460,398	15,429,209
Depreciation	10,153,526	337,933	10,491,459
Adjustments	13,144,829	420,103	13,564,932
Balance as on 31 March 2020	**34,447,666**	**889,786**	**35,337,452**

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 31 March 2020:

Particulars	Amount
Balance as on 01 April 2018	46,546,441
Additions	4,339,637
Finance cost accrued during the period	4,217,000
Payment of lease liabilities	11,687,777
Balance as on 31 March 2019	**43,415,301**

Particulars	Amount
Balance as on 01 April 2019	43,415,301
Additions	12,041,362
Finance cost accrued during the period	4,513,263
Deletion	3,360,721
Payment of lease liabilities	12,873,950
Balance as on 31 March 2020	**43,735,255**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Less than one year	13,249,062	12,891,836	11,268,114
One to five years	26,318,558	37,493,702	42,149,391
More than five years	83,254,358	37,803,624	38,332,378
Total	**122,821,978**	**88,189,162**	**91,749,883**

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 ₹13,09,960/- (Previous year INR17,87,623/-)

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 42: LEASES *(Contd.)*

(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 17,272,420/- for the year ended 31 March, 2019.

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

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Within one year	18,905,664	16,850,664	16,854,414
After one year but not more than five years	15,441,102	27,179,766	44,378,430
More than five years	-	-	-

NOTE 43: 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.

Tanmatra Technologies Private Limited

Mr. Kamalaksha R. Naik (HUF)

Key Management Personnel (KMP)

Mr. Kamalaksha R. Naik - Executive Chairman

Mr. Krishnanand M. Gaonkar - Non Executive Independent Director

Mr. Bhanubhai R. Patel - Non Executive Independent Director

Mr. Pankaj M. Baliga - Non Executive Independent Director

Mr. Pradeep A. Rane - Non Executive Independent Director

Mr. Pradeep G. Pande - Non Executive Independent Director

Ms. Arati K. Naik - Executive Director

Mr. Natarajan Sankara - Director (upto December 31, 2019) (Synegra EMS Limited)
- Whole-time Director and CEO (w.e.f January 01, 2020)

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

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

Mr. Prabhod Vyas - Additional Director (Digisol Systems Limited)

Relatives of key management personnel :

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Mrs. Lakshana A. Sharma

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

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	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
Rent Income				
Tanmatra Technologies Private Limited	100,000			300,000
Salary				
Ms Arati K Naik				
Short-term employee benefits		2,978,400		248,200
Post-employment benefits		21,600		1,800

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 43: RELATED PARTY DISCLOSURES *(Contd.)*:

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

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	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
Mr. Natarajan Sankara				
Short-term employee benefits		588,206		-
Post-employment benefits		5,400		-
Director Sitting Fees				
Mr. Krishnand M. Gaonkar		1,060,000		960,000
Mr. Pankaj M. Baliga		910,000		1,010,000
Mr. Pradeep A. Rane		850,000		900,000
Mr. Bhanubhai R. Patel		950,000		1,000,000
Mr. Pradeep G. Pande		450,000		550,000
Mr. Nitin A. Kuncolienkar		150,000		250,000
Mr. Nataranjan Sankara		250,000		150,000
Mr. Ray Chang		100,000		50,000
Rent Expense				
Ms. Aarti K. Naik		240,000		240,000
Interest on Loan				
Ms. Kamalaksha R. Naik		14,499,236		3,942,601
Loan taken				
Ms. Kamalaksha R. Naik		60,000,000		90,000,000
Consideration paid for Buyback of Shares				
Mr. Kamalaksha R. Naik		248,009,190		368,182,200
Mr. Kamalaksha R. Naik (HUF)	5,382,130		8,061,960	
Ms. Aarti K. Naik		49,480,080		72,269,400
Mrs. Sudha K. Naik		24,741,080		36,134,760
Mrs. Lakshana A. Sharma		40,373,320		53,344,320

Balances due from and due to related parties

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Amount due to related party as on:			
Key Management Personnel/ Relative of Key management personnel			
Mr. Kamalaksha R Naik	184,480,991	121,090,354	30,660,822
Amount due from related party as on:	-	-	-
Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence			
Tanmatra Technologies Private Limited	147,500	29,500	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 44: 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 31 March, 2020	Year Ended 31 March, 2019
Segment Revenue (net):		
(a) Investment	151,580,746	180,247,292
(b) Networking Products	614,016,256	889,429,291
Total	**765,597,002**	**1,069,676,583**
Less: Inter-segment Revenue	(14,009,207)	(5,173,059)
Total Income from Operations (net)	**751,587,795**	**1,064,503,524**
Segment Profit / (Loss) before finance cost, tax and minority interest:		
(a) Investment	(10,936,457)	107,594,386
(b) Networking Products	(104,530,253)	(73,079,479)
Total	**(115,466,710)**	**34,514,907**
(Add)/ Less:- Other un-allocable expenditure net-off un-allocable income	7,778,378	18,117,593
Operating Profit / (Loss)	**(123,245,088)**	**16,397,314**
(Add)/ Less:		
(i) Finance Costs (net)	24,440,913	14,451,747
(ii) Income Taxes	(5,030,306)	31,437,423
(iii) Share of loss attributable to Minority Interest	(2,899,833)	(1,820,998)
Profit/ (Loss) after finance cost, tax and minority interest	**(139,755,862)**	**(27,670,858)**
Capital Employed		
Segment Assets		
(a) Investment	1,905,261,200	2,499,951,345
(b) Networking Products	310,169,878	431,872,510
(c) Un-allocated	73,536,234	69,585,692
Total Assets	**2,288,967,312**	**3,001,409,547**
Less: Segment Liabilities		
(a) Investment	41,675,846	40,473,963
(b) Networking Products	384,200,322	379,672,951
(c) Un-allocated	33,134,105	27,193,874
Total Liabilities	**459,010,273**	**447,340,788**
Total Capital Employed	**1,829,957,039**	**2,554,068,759**
Capital expenditure		
Addition to fixed assets		
(a) Investment	142,063,274	1,909,156
(b) Networking Products	54,680,498	10,273,082
(c) Un-allocated	-	-
Total Assets	**196,743,772**	**12,182,238**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 44: SEGMENT INFORMATION *(contd.)*

Information about primary segments:

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Depreciation and Amortisation		
(a) Investment	14,285,075	12,279,322
(b) Networking Products	15,885,143	14,233,333
(c) Un-allocated	-	-
Total	**30,170,218**	**26,512,655**
Material non cash expenditure other than Depreciation and amortisation		
(a) Investment	42,477,982	4,930,000
(b) Networking Products	802,118	8,331,020
(c) Un-allocated	-	-
Total	**43,280,100**	**13,261,020**

(B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Group is the geographical segment based on location of customers, which is as follows:

i) Domestic

ii) Export

Information about secondary segments

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Revenue from customer		
- Domestic	698,935,238	1,023,701,811
- Export	52,652,557	40,801,713
Total	**751,587,795**	**1,064,503,524**
Segment Assets		
- Domestic	2,285,045,139	2,996,833,649
- Export	3,922,173	4,575,898
Total	**2,288,967,312**	**3,001,409,547**
Addition to fixed assets during the year		
- Domestic	196,743,772	12,182,238
- Export	-	-
Total	**196,743,772**	**12,182,238**

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

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

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 46: FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets and liabilities:

Particulars	Fair value heirarchy	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
FINANCIAL ASSETS				
Financial assets measured at amortized cost				
Investments in Debt securities	Level 3	343,482,865	328,297,426	273,164,041
Fixed Deposits	Level 3	-	24,810,333	23,178,896
Security Deposits	Level 3	5,703,088	6,814,358	6,373,937
Trade receivables	Level 3	78,815,160	146,694,626	131,695,233
Financial assets measured at Fair Value through Other Comprehensive Income				
Investments in Debt securities	Level 2	186,193,217	322,725,046	340,263,835
Financial assets measured at fair value through profit or loss				
Investments in mutual funds	Level 2	1,085,601,572	1,581,763,736	2,248,876,993
FINANCIAL LIABILITIES				
Security Deposits	Level 3	4,423,111	4,383,529	3,465,417
Lease Liabilities	Level 3	43,735,255	43,415,301	46,546,441
Financial guarantee obligation	Level 3	-	-	-
Asset retirement obligation	Level 3	673,763	569,109	525,124

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 interest rate risk, price risk and foreign currency 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).

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 47: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

(a) **The Company's exposure to foreign currency risk at the end of the year is as follows**

Particulars	Currency	As at 31 March, 2020	As at 31 March, 2019	As at 1 April, 2018
Trade Receivables	INR	3,922,172	4,598,023	7,275,450
	USD	51,839	66,503	111,655
Trade Payables	INR	18,350,398	22,973,406	58,504,567
	USD	253,198	332,178	897,398

(b) **Foreign currency sensitivity**

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Impact of INR 1 strengthening - Decrease in Loss	201,359	265,675
Impact of INR 1 weakening - Increase in loss	201,359	265,675

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily arises from cash equivalents, trade receivables, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

For trade receivables, credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

For other financial assets and investments, the Company has an investment policy which allows the Company to invest only with counterparties having a good credit rating. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counterparty limits maybe updated as and when required subject to approval of Board of Directors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2020, 31st March, 2019 and 1st April, 2018 is the carrying amounts as mentioned in Note 7, 8, 10, 12, 14.

(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: 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 49:

As per provisions of section 135 of Companies Act 2013, the Parent Company was required to spend INR 21,63,475/- (31 March 2019: INR 1,919,010/-) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Parent Company has spent INR 53,74,560/- (31 March 2019: INR 1,998,727) towards Corporate Social Responsibility activities as under:

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 49: *(contd.)*

Particulars	For the Year Ended 31 March, 2020	For the Year Ended 31 March, 2019
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above		
- Installation of Networking products in various schools	844,010	223,727
- Prime Minister's National Relief Fund	-	775,000
- Aspiring Entrepreneurs Workshop/ mentoring sessions for educational institutions	-	500,000
- Contribution to Covid Relief Fund	500,000	-
- Contribution to Foundation's/Trust's	4,000,000	-
- Education purpose	30,550	500,000
Total	**5,374,560**	**1,998,727**

NOTE 50:

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)	31.03.2020	100.00	1,828,334,241	100.00	(139,755,862)	100.00	(144,260,935)
	31.03.2019	100.00	2,549,546,128	100.00	(27,670,858)	100.00	(27,633,632)
Parent							
Smartlink Holdings Limited	31.03.2020	102.64	1,876,538,869	94.04	(131,416,521)	93.13	(134,347,693)
	31.03.2019	101.50	2,587,837,514	1,023.91	(283,323,264)	1,024.38	(283,069,710)
Subsidiaries							
Digisol Systems Limited	31.03.2020	0.93	16,987,709	62.72	(87,649,124)	61.36	(88,524,496)
	31.03.2019	4.14	105,512,205	340.35	(94,181,633)	341.07	(94,254,006)
Synegra EMS Limited	31.03.2020	(2.59)	(47,353,773)	31.40	(43,890,277)	30.85	(44,500,963)
	31.03.2019	(0.25)	(6,478,225)	80.92	(22,391,645)	81.50	(22,522,258)
Telesmart SCS Limited	31.03.2020	0.14	2,609,328	10.31	(14,411,317)	10.05	(14,499,160)
	31.03.2019	0.99	25,346,096	32.86	(9,091,647)	32.95	(9,104,990)
Minority Interests in subsidiaries							
Telesmart SCS Limited	31.03.2020	0.09	1,622,798	2.07	(2,899,833)	2.01	(2,899,833)
	31.03.2019	(0.18)	(4,522,631)	6.58	(1,820,998)	6.59	(1,820,998)
Elimination and Adjustment due to Consolidation	31.03.2020	(1.21)	(22,070,690)	(100.54)	140,511,210	(97.40)	140,511,210
	31.03.2019	(6.20)	(158,148,831)	(1,384.63)	383,138,329	(1,386.49)	383,138,330
Total	**31.03.2020**	**100.00**	**1,828,334,241**	**100.00**	**(139,755,862)**	**100.00**	**(144,260,935)**
	31.03.2019	**100.00**	**2,549,546,128**	**99.99**	**(27,670,858)**	**100.00**	**(27,633,632)**

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 51:

The Pandemic 'COVID-19' has severely impacted business globally, including India. There has been severe disruption in regular business operations. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in a global slowdown, including India.

The Group has evaluated the impact of the pandemic on its business operations, liquidity, internal financial reporting and control and financial position and based on the management's review of the current indicators and economic conditions, there is no material impact on its financial results as at 31st March 2020. The assessment of impact of COVID -19 is a continuing process given the uncertainties associated with the nature and duration of the pandemic. The Group will continuously monitor any material changes to future economic conditions and business of the Group.

NOTE 52:

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

In terms of our report attached

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Anup Mundhra
Partner
Membership No. 061083

Pune, dated: 14th July, 2020

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

K. R. Naik
Executive Chairman
DIN: 00002013

Arati Naik
Executive Director
DIN: 06965985

K. G. Prabhu
Chief Financial Officer

Urjita Damle
Company Secretary

Verna-Goa, dated: 14th July, 2020

smartlink
HOLDINGS

Smartlink Holdings Ltd.
Corporate Office:
215 Atrium Building, Courtyard Marriott Compound,
Andheri - Kurla Road, Andheri (East),
Mumbai - 400093

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

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www.smartlinkholdings.com