



SMARTLINK HOLDINGS LIMITED

Annual Report 2020-21



Group Vision

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



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Chairman's Message



K. R. Naik
Executive Chairman

Dear Shareholders,

It is my proud privilege and pleasure to present our Annual Report for the year ended March 31, 2021.

This year has been extremely challenging and it continues to be with the whole world getting into the 2nd wave of Covid-19. This crisis has been truly unprecedented, and is still continuing even today after almost a year and half. The Company as part of its responsibility towards the society and as a part of

one of its commitments, offered one of our buildings at Goa, free of cost to Verna Industries Association to be used as COVID CARE CENTRE for Asymptomatic COVID patients. Later on, this building was also used for providing Covid Vaccines for about 4 months.

You all are aware that SMARTLINK HOLDINGS LTD is primarily an Investment Company having investments in mutual funds and bonds/deposits and land and building.

“

We are always happy to engage with right partners who can collaborate with us using our resource and setup to ensure optimum utilization.

”

DIGISOL SYSTEMS is Brand Products company with Sales, Marketing, Maintenance and Servicing products all over India. We introduced Enterprise range “ConvergeX” to distinguish Channel range of Products. In the case of Active Products line, we introduced FTTH products that too by manufacturing in SYNEGRA EMS.

SYNEGRA EMS being independent Company entered in manufacturing all kinds of products using our SMT lines, Testing lines etc. for local & export. We have started manufacturing of FTTH products and enhanced testing capabilities to enable manufacturing of FTTH products. As of today, we are manufacturing PCB's for Electric Vehicles and hope to increase our share as India progresses towards transition of Electrical Vehicle usage. SYNEGRA having the huge setup for large scale manufacturing, is constantly scouting for right ODM supplier.

In the case of TELESMAART we are having higher end ENTERPRISE SCS products and we decided to manufacture & supply high end quality products to well known Brand of European & USA companies. We are having an excellent quality production line in copper & Fiber and plan to do more ODM business.

We are always happy to engage with right partners who can collaborate with us using our resource and setup to ensure optimum utilization.

SMARTLINK completed one more buy back in May, 2021, thereby rewarding the shareholders. The company bought back 33,25,000 Equity Shares at ₹95/- per share aggregating ₹3,159 lakhs. Subsequent to buy back, the paid-up equity share capital of the company has reduced from ₹266 lakhs to ₹199.50 lakhs.

As regards the consolidated financial performance, the Company's Total Income on consolidated basis for the year stood at ₹7,288.50 lakhs as against ₹7,570.23 lakhs in the previous year. The Profit after Tax for the year stood at ₹1,041.08 lakhs as against a loss of ₹1,471.61 lakhs in the previous year.

I am confident that with the efforts of the Government in promoting large scale vaccinations and the greatly improved medical facilities that are available today, we would soon get the pandemic under control. Till then, I would urge you to follow Covid-19 protocols, get vaccinated and stay safe.

In conclusion I must express my sincere gratitude to the Members of the Board for their constant guidance and advise. I am thankful to our Management Team, Customers, Shareholders, Partners, and all the other Associates who have reposed their trust and confidence in SMARTLINK.

Thanking you,

Yours sincerely,

K. R. Naik

Business Overview

THE BUSINESS OF OUR SUBSIDIARIES

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

The Company undertook a restructuring exercise and now has three independent subsidiaries, namely, Digisol Systems Ltd., Synegra EMS Ltd. and Telesmart SCS Ltd. to grow the businesses in a focused manner using its expertise of over three decades. Smartlink Holdings Ltd. is now an NBFC with assets and cash investments which includes investment in the three subsidiary companies.

The three subsidiaries are engaged in businesses as follows:

1. **Digisol Systems Ltd.** is a BRAND Products Company, engaged in the marketing, sales, service and support of Active and Passive range of NETWORKING Products. DIGISOL Company has many years of experience in Networking products and is familiar with all kinds of products and able to offer latest technology products; and in some cases by getting them locally manufactured to its specifications.
2. **Synegra EMS Ltd.** is an IT and Electronic EMS Products Manufacturing Company capable of sourcing, all kinds of detail parts required locally, and if required, by importing various types of electronic components from many sources. It has more than three decades of experience, having been formed by separating from SMARTLINK NETWORK Systems Ltd. It has modern manufacturing facilities, which include SMT lines, Soldering lines, Assembly lines and Testing lines with extensive Test Equipment suitable for the manufacture of a wide range of WiFi and ONU range of products.
3. **Telesmart SCS Ltd.** is Passive, Copper & Fiber Products Manufacturing Company having a partner with a large number of Patents in Copper Connectivity Products. TELESMAST is well equipped to supply to Brand companies in India or worldwide as its Products are of Original Design and Patented.

The capabilities include getting Products moulded to own design from local vendors, or sourcing material and parts locally or import and Assemble using the large Assembly lines and Test, with its Testing lines well equipped with a range of Testing Machines procured from abroad. TELESMAST has own Engineering Team for sourcing and designing some of the Products. In the case of Fiber Products as well, it has a full setup for manufacturing many kinds of Products like Patch Cords, Pigtaills, LIUs etc.



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 efforts have been focused on positioning 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.

Digisol has been steadily working to introduce new generation products like 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.



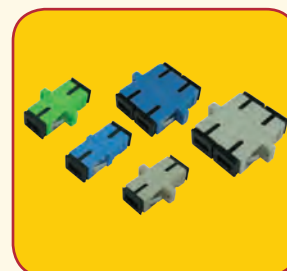
Fiber holds immense opportunities with faster data speeds over limitless distances. Accordingly, Digisol has launched a series of Next Gen FTTH active networking products which includes GEPON, GPON, ONU, OLTs, Splitters, ODF, and Fiber Distribution Box.

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 range

Technology is rapidly evolving and along with it the needs of business. With large connectivity sites coming up like SMART CITY, there is a need for high speed and high-quality products. The DIGISOL "ConvergeX range is ideal for such applications with POE connectivity. Its contacts are with 50 microns gold plating and kit has solder-less contacts joints to avoid rusting on long term use.

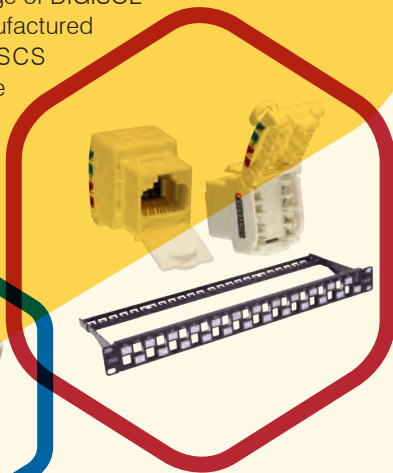
The name DIGISOL ConvergeX is a combination of the word 'Converge' that stands for a single network that unifies and carries a combination of data, voice and video traffic, while X stands for the Xtreme speed. The ConvergeX enterprise structured cabling series aims to enhance the way enterprises work and unlocks immense opportunities for the future.



Digisol Channel SCS range

The range of DIGISOL Passive Networking products includes Copper, Fiber and FTTH solutions. All DIGISOL SCS Products adhere to EIA/TIA, ISO/IEC and UL international standards. These RoHS compliant products are backed by 25 years international product warranty for performance. With its strong presence in SMB & Enterprise segments, DIGISOL works closely with regional and national system integrators for enhanced presence in large scale projects.

DIGISOL's Structured Cabling Systems fulfil the network connectivity needs of medium to small businesses and home networks. The entire range of DIGISOL SCS products are manufactured in India by Telesmart SCS Ltd. and Cables are sourced from Cable vendors manufactured as per our standard and certified by U/L.



Brand Building: The key to DIGISOL's success

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

Digisol will continue to invest in educating the channel community, system integrators and large base of Electrician / Installers who interact with the end consumers and play a strong role in building the brand.



The Company's brand building efforts also include participation in the leading industry events, trade shows and expos and in-shop branding. In addition to traditional advertising in India, Digisol is active in the Digital space with an engaging website www.digisol.com and has a vibrant presence on 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**

20+

Regional
Distributors

1000

System
Integrators

200

Stockist
Partners



SYNEGRA EMS LTD.



Synegra EMS Ltd is Electronics Manufacturing Services (EMS) Company with over three decades of experience in manufacturing various types of networking products. Its certified facilities at Goa includes SMT lines, soldering lines and Assembly Testing Lines. It has a highly skilled team for electronics manufacturing including components sourcing.



The Company has been manufacturing products like Computer Motherboards, Add on Cards, Networking and Telecommunication Products, Medical devices etc. for over three decades. Also widened its activities by venturing into the manufacture of PCB's for Electronic Vehicles.

It anticipates steady growth with its manufacturing capacity suited for both export as well as domestic markets under Make in India initiative of Government of India.



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 an ODM supplier to Brand Companies including DIGISOL.



Telesmart's cabling portfolio includes end-to-end cabling solutions (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 31st March 1993. His vision is to make the group companies the premier technology Companies with a strong base of Manufacturing in the Networking/ Communication field. Mr. Naik has over four decades of experience in the networking industry. He holds Post Graduate Diploma in Industrial Engineering from Jhunjhunwala College & Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India in development & sourcing of parts of Data Processing Machines in IBM Mumbai Plant. He is also a former President of MAIT.



Arati Naik

Ms. Arati Naik has been appointed as Executive Director of Smartlink. She was Chief Operating Officer of the Subsidiary Company, Digisol Systems Limited and was involved in managing DIGISOL business and defining strategies for the products business. She is Graduate in Computer Science and Post-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 33 years of experience in the petrochemical and fibre industry. He started his career with Colour Chem Ltd as a research chemist, where he worked for a period of 7 years before shifting to Reliance Industries Ltd. He worked for 23 years in various positions in Reliance Industries, with the last six years as a Vice President in their Fibres Marketing Division.



Pradeep Rane

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



Pankaj Baliga

Mr. Pankaj Baliga has a Bachelor's Degree in Engineering, NIT Durgapur, Master's Degree in Business Administration from IIM Ahmedabad, and is a SPURS Fellow, Massachusetts Institute of Technology, U.S.A. He has more than 44 years of experience in management, including 36 years with the Tata Group with the last 14 years at Tata Consultancy Services Ltd (TCS).



Bhanubhai Patel

Mr. Bhanubhai Patel holds a Bachelors Degree in Commerce and General Law and is a Member of the Institute of Chartered Accountants of India. He has more than 39 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 29 years with Oerlikon Textile India Pvt. Ltd. (part of a Swiss based Oerlikon Group) in various capacities where presently he is holding the position of Chairman & Managing Director.



Pradeep Pande

Mr. Pradeep Pande is a Fellow of the Chartered Institute of Personnel Development (FCIPD) UK and Fellow of the Chartered Professional in HR (FCPHR) Australia. He possesses a 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, Roche Products, Lupin Limited, Ispat Industries, Binani Industries Limited, Alkem Laboratories and RAK Ceramics, UAE.

Directors' Report

TO THE MEMBERS,

The Directors of your Company take pleasure in presenting their 28th Annual Report along with the audited financial statements for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL PERFORMANCE

Key highlights of standalone and consolidated financial performance for the year ended March 31, 2021, are summarized as under:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue	1,493.41	1,512.14	7,026.91	7,512.21
Other income	38.04	7.57	261.59	58.02
(Loss)/Profit before depreciation, exceptional items and tax	828.32	(796.85)	1187.32	(750.38)
Less: Depreciation for the year	137.19	142.85	277.99	301.70
Less: Exceptional Item	0.00	424.78	0.00	424.78
(Loss)/Profit before tax	691.14	(1,364.48)	909.33	(1,476.86)
Less: Provision for tax				
a) Current tax	80.48	173.38	80.48	173.38
b) Deferred tax	100.77	(141.44)	(201.97)	(141.42)
c) Adjustment of Income Tax of earlier year	7.93	(82.26)	7.93	(82.26)
Add/Less: Other Comprehensive Income	12.46	(29.31)	18.19	45.05
Profit/Loss after tax	514.41	(1,343.48)	1041.08	(1,471.61)
Earnings Per Share (₹)	3.77	(8.41)	7.80	(8.95)

2. STATE OF COMPANY'S AFFAIRS

2.1 Review of Standalone Financial Results

During the financial year 2020-21, your Company achieved standalone Income from operations of ₹1493.41 lakhs as compared to ₹1512.14 lakhs in the previous year. The standalone profit after Tax stood at ₹514.41 lakhs for the year ending March 31, 2021 as compared to loss of ₹1,343.48 lakhs in the previous year.

2.2 Review of Consolidated Financial Results

During the financial year 2020-21, the Company achieved Income from operations of ₹7,026.91 lakhs as against ₹7,512.21 lakhs for the previous financial year. Profit after Tax was ₹1041.08 lakhs for the year ending March 31, 2021 as compared to loss of ₹1,471.61 lakhs in the previous year.

The COVID-19 pandemic continues to adversely impact lives, livelihoods, and the economy in India, with a devastating second wave wreaking havoc even as the threat of a third wave looms large. Rising uncertainty has reduced consumer and business confidence. This has resulted in industries not being able to sell their products and services to customers, disruptions in the production process and supply chain, significant uncertainty with plummeting demands.

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 March 31, 2021.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business.

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

3. DIVIDEND

Your Directors have not recommended any dividend for the FY 2020-21.

4. TRANSFER TO RESERVES

The Board of Directors have proposed to transfer an amount of ₹100.39 Lakhs to the NBFC Reserved Fund for the FY 2020-21.

5. SHARE CAPITAL

The Paid-up Equity Capital of the Company as on March 31, 2021 stood at ₹2,66,00,000/- consisting of 1,33,00,000 Equity Shares of ₹2/- each. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares. The Company has paid Listing Fees for the FY 2020-21 to each of the Stock Exchanges, where its equity shares are listed.

6. BUYBACK

The Company completed its fourth buy-back of 33,25,000 equity shares at a price of ₹95/- per equity share for an aggregate consideration of ₹31,58,75,000 (Rupees Thirty-One Crores Fifty-Eight Lakhs Seventy-Five Thousand Only). The offer size of the buy-back was 17.43% of the fully paid-up equity share capital and free reserves as per the standalone audited accounts of the Company as on March 31, 2020 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 May 27, 2021. The Company's earlier buyback details are given below:

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

7. ANNUAL RETURN

The Draft Annual Return of the Company for the financial year ended March 31, 2021 is available on our website under the web link: <https://www.smartlinkholdings.com/investor-relations>.

8. MEETINGS

During the year, 5 (Five) Board Meetings and 4 (Four) Audit Committee Meetings were held. The details of the same are given in the Corporate Governance Report which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the 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, one meeting of Independent Directors was held on July 14, 2020 for transacting the business enumerated under the said provisions.

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

During the year, the Company has not granted any loans to or provided any guarantees or securities under Section 186 of the Companies Act, 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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 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 36 to the Standalone Financial Statements. The particulars of contracts or arrangements entered by the Company with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure – H in Form AOC-2 and the same form 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>

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

There was no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on March 31, 2021 to the date of the Report.

12. 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. 24 of the standalone Financial Statements of the Company forming part of this report.

13. DETAILS OF SUBSIDIARY COMPANIES

The Company has three subsidiaries, namely Digisol Systems Limited, Synegra EMS Limited and Telesmart SCS Limited as on March 31, 2021.

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

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

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>.

14. RISK MANAGEMENT

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

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

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

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Key Managerial Personnel

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

b. Re-appointment of Directors

Ms. Arati Naik was appointed for a period of three years as an Executive Director of the Company with effect from April 1, 2019 at the 26th Annual General Meeting ('AGM') of the Company. Her term expires before the next AGM to be held for the FY 2021-22. The Nomination and Remuneration Committee and Board of Directors of the Company recommended her re-appointment for a term of five years w.e.f April 01, 2022 subject to the approval of the Members at the ensuing AGM by way of a Special Resolution. A resolution seeking shareholders' approval for her re-appointment forms a part of the AGM Notice.

Mr. Pradeep Anant Rane was appointed as Independent Director at the 23rd Annual General Meeting of the Company for a term of five years upto August 04, 2021. The Nomination and Remuneration Committee and Board of Directors of the Company recommended his re-appointment for a second term of five years upto August 04, 2026. The Board has approved the same subject to passing a Special Resolution by the members of the Company at the ensuing AGM.

As per recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Pradeep Gopal Pande was re-appointed as Independent Director of the Company to hold office for second term of two consecutive years at previous Annual General Meeting of the Company.

Mr. K. R. Naik retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the AGM Notice.

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

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

c. Declaration by Independent Director

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

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

17. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

18. DEPOSITS FROM PUBLIC

The Company has neither invited nor accepted any deposits from the public during the FY 2020-21. The Company does not intend to invite or accept any deposits during FY 2021-22 as such no amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

19. SECRETARIAL AUDITOR AND AUDITORS' REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shivaram Bhat, Company Secretary in Practice (ACS No. 10454, Certificate of Practice No. 7853), to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor for FY 2020-21 is attached herewith as Annexure – B. There are no qualifications, observations or adverse remarks or disclaimer in the said report.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder, your Company has constituted a Corporate Social Responsibility Committee ('CSR Committee'). The constitution of the committee is given in the Corporate Governance Report. The 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 – F to this Report.

21. AUDIT COMMITTEE

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

Further, in terms of section 177(8) of the Companies Act, 2013, it is stated that there were no such instances where the Board of Directors have not accepted the recommendations of the Audit Committee during the year 2020-21.

22. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

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

23. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

24. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

26. 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>

27. CORPORATE GOVERNANCE

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

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

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

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

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

There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as on the end of the FY 2020-21.

30. REPORTING OF FRAUDS

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

31. STATUTORY AUDITOR AND AUDIT REPORTS

At the 25th Annual General Meeting held on August 7, 2018, the Shareholders had approved the appointment of M/s. MSKA & Associates, Chartered Accountants (firm registration number 105047W) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 25th Annual General Meeting until the conclusion of the 30th Annual General Meeting to be held in the year 2023.

Pursuant to the amendment to Section 139 of the Act, effective May 7, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly, the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders' approval for ratification of Statutory Auditors' appointment.

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

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

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

33. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts for the financial year end March 31, 2021, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and the profit/loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

33. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**a) Transfer of unclaimed dividend**

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid and unclaimed dividend are required to be transferred to the IEPF established by the Government of India, after completion of seven years. Accordingly, Dividend of ₹1.59 lakhs for the FY 2012-13 which remained unpaid or unclaimed was transferred to the IEPF Authority in the FY 2020-21.

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 4,003 shares were transferred as per the requirements of IEPF Rules during FY 2020-21.

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

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2014	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

34. PREVENTION OF INSIDER TRADING

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

35. SECRETARIAL STANDARDS

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

36. GREEN INITIATIVE

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 28th 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 May 12, 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. Further SEBI vide circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has extended the said relaxation for the calendar year 2021. 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. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

K. R. Naik
Executive Chairman
DIN: 00002013

K. M. Gaonkar
Director
DIN: 00002425

Place: Verna, Goa
Date: June 30, 2021

Place: Mumbai
Date: June 30, 2021

Annexure - A

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global prospects continued to remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. Social distancing, vaccinations, and treatments have helped slow the progress of the virus and saved lives. At the same time, the crisis has laid bare large differences in countries' capacity to support their population, especially the most vulnerable.

Global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than projected in the October 2020 World Economic Outlook (WEO). The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and the continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

THE INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. However, after growing at very high rates for years, India's economy had already begun to slow down before the onset of the COVID-19 pandemic. Between FY17 and FY20, growth decelerated from 8.3 percent to 4.0 percent, with weaknesses in the financial sector compounded by a decline in the growth of private consumption.

The implementation of a national lockdown on March 24, 2020, brought economic activity to a halt, affecting both production and

consumption. As a result, growth was negative in the first half of the fiscal year (April to September 2020) and only modestly positive in the second half. India recorded the real GDP (gross domestic product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21.

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, India is also expected to emerge as the fastest-growing economy in the next two years.

INDUSTRY OUTLOOK IN INDIA

The Indian Networking Industry

Following a temporary decline in 2020, the enterprise networking market in India is likely to recover in 2021 and post a compound annual growth rate (CAGR) of 5.2% in its market value between 2019 and 2024, says Global Data, a leading data and analytics company. With business activity slowly returning to normalcy and enterprises accelerating their digital transformation efforts to emerge stronger after the crisis and prepare themselves for any such disruptions in the future, their spending on ICT infrastructure, including networking, is expected to recover soon.

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

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

THE INDIAN NETWORKING MARKET IN 2020

(Values in USD million)

Particulars	Q1 2020		Q2 2020		Q3 2020		Q4 2020	
	Value	Growth	Value	Growth	Value	Growth	Value	Growth
Ethernet Switch Market	130.3	↓10.8%	120.8	↓13.8%	136	↓8.8%	126.9	↓11.1%
Router Market	69.2	↓48.4%	68.4	↓5.5%	57.7	↓40.2%	75.0	1.0%
WLAN	49.7	16.8%	54.1	↓4.6%	60.1	3.1%	61.7	8.8%
Indian Networking Market		↓26.7%		↓9.6%		↓16.4%		↓4.2%

Source: "IDC WLAN AND LAN" tracker report

Active Networking Products

The Indian Networking Market which comprises of Ethernet Switch, Router and WLAN segments posted a decline of 26.7% in the first quarters of 2020 and 9.6% decline in second quarter. The third quarter saw a steep decline of 16.4% due to the ongoing pandemic, while in the 4th quarter the decline rate stood at 4.2%. The decline was majorly due to a slowdown in business activity post mid of March, 2020 due to Covid-19 induced lockdowns.

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.

Passive Networking Products

The Indian structured cabling market declined markedly in 2020 as a result of the coronavirus pandemic. The decline was concentrated in the LAN segment whereas the data centre segment continued to expand thus the overall market decline was caused by the sharp contraction of the LAN segment (which represented about 80% of the market by value in 2019). The data centre market grew as a result of a few significant projects. As a result, the share of the data centre segment in the overall market increased in 2020. The share of fibre products also rose as data centres are heavy users of fibre.

Working from home became widespread among office workers and although from October 2020 workers started to return to offices, this did not represent a full return to previous levels. As a consequence of the shift to 'work from home', investment in the office sector, including structured cabling, was much reduced. The government sector fared better in 2020 as the government kept spending, in part in order to alleviate the impact of the restrictions imposed in the wake of the pandemic. The smart cities projects continued to be a source of income for structured cabling suppliers.

The market is expected to grow in the next few years as the Indian economy recovers. The LAN segment is set to rebound from the trough of 2020. The data centre segment is bound for continued strong growth as data consumption increased and with it the need for efficient and reliable infrastructure.

BUSINESS OVERVIEW

SMARTLINK HOLDINGS LIMITED

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

DIGISOL SYSTEMS LIMITED

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 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 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 Made in India products like GEAPON router & ONUs, networking switches and enterprise wireless products based on the changing needs of the market. These also include products manufactured by the Group's manufacturing arm Synegra EMS.

Passive Networking Products

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

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

DIGICARE

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 Digidcare. Digidcare 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. Digisol's customer care team supports all India customers on voice, email and chat.

SYNEGRA EMS LIMITED

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited. Synegra EMS Ltd is Electronics Manufacturing Services (EMS)/Original Design Manufacturing (ODM) Company

Management Discussion and Analysis

which caters to IT, Networking, Telecom, Medical, Automotive and Defence sectors, etc.

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

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

TELESMART SCS LIMITED

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

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

FINANCIAL PERFORMANCE

i) Standalone Financials

In the financial year 2020-21, the Company achieved an Income from operations of ₹1493.41 lakhs as compared to ₹1512.14 lakhs in the previous year.

The Company's Profit after Tax for the year ending March 31, 2021 was ₹514.41 lakhs as compared to Loss after Tax of ₹1343.48 lakhs in the previous year.

Key Financials Ratio

Particulars	FY 2021	FY 2020
Current Ratio (in %)	59.59	73.35
Operating profit Margin (in %)	55.79	-49.85
Net Profit Margin (in %)	32.78	-86.47
Return on Net Worth (in %)	2.60	-7.00

ii) Consolidated Financials

In the financial year 2020-21, the group achieved an Income from operations of ₹7026.91 lakhs as compared to ₹7512.21 lakhs in the previous year.

The Profit after Tax for the year was ₹1,041.08 as compared to Loss after Tax of ₹1,471.61 for the previous year.

HUMAN RESOURCES

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

societal, organizational, and human goals and our human values form the backbone of our organization.

Our Values at work

- Ethical and Integrity based approach in everything we do
- Value and develop employees for Talent, Initiative and Leadership
- Employee motivation through ownership and empowerment
- Performance and collaboration
- Customer Orientation and delight

In order to address the health challenges posed by the pandemic, your Company adopted work from home (WFH) during lockdown to ensure the safety of the employees and their family.

Our vision has been to create a committed workforce through people-enabling processes and knowledge sharing practices based upon our value system. The key element of our Human Resource strategy is to provide a healthy working environment that empowers people, encourages innovation, enhances work satisfaction, and builds a merit-driven organization. As on March 31, 2021, the Company had 28 employees. Smartlink's future success evolves around our ability to attract, retain and motivate highly qualified technical and management personnel, to approach the VUCA world.

RISK FACTORS

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

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

The risk of technological obsolescence is very high in the segments where the company's subsidiaries 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.

SHORTAGE OF COMPONENTS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

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

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

The Audit Committee periodically reviews the functions of Internal Audit

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Listing Regulations 2015) as of March 31, 2021. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Listing Regulations 2015), our audit committee has concluded that, as of March 31, 2021, 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 MARCH 31, 2021

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

To The Members,

SMARTLINK HOLDINGS LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2021 (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, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*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, 2018.
- vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,
 - a) RBI regulations for Non- Banking Financial Companies to the extent applicable.

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

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

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

I further report that -

Secretarial Audit Report

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

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

The decisions were carried unanimously.

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

I further report that during the audit period:

- a. The 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 10th February, 2021 by way of Postal Ballot, the Buyback of Equity shares not exceeding 33,25,000 aggregating to 25% of the paid-up equity capital of the company at a price of ₹95/- per equity was approved.

Shivaram Bhat

Place: Panaji, Goa
Date : June 30, 2021

Practicing Company Secretary
ACS No. 10454, CP No. 7853
UDIN: A010454C000546616

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

Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws/regulations/guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

'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 : June 30, 2021

Practicing Company Secretary
ACS No. 10454 & CP No. 7853
UDIN: A010454C000546616

Annexure - C

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

a) Composition and Category of Directors

The present Board comprises of 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 March 31, 2021 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 FY 2020-21	Attendance of AGM held on December 11, 2020	No. of other Directorships (As on 31.03.2021)#	No. of Committee Positions in Mandatory Committees®	
					Member	Chairman
Mr. Kamalaksha Naik	EC	5	Yes	3	Nil	Nil
Mr. Krishnanand Gaonkar	NED and IND	5	No ^	2	Nil	Nil
Mr. Pankaj Baliga	NED and IND	5	No ^	1	Nil	Nil
Mr. Pradeep Pande	NED and IND	5	No	1	Nil	Nil
Mr. Bhanubhai Patel	NED and IND	5	No	2	Nil	Nil
Mr. Pradeep Rane	NED and IND	5	No	1	Nil	Nil
Ms. Arati Naik	ED	5	No	1	Nil	Nil

* EC: Executive Chairman, ED: Executive Director

NED and IND: Non-Executive Director and Independent Director

Excludes Directorships in Private and Foreign Companies

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

^ Present through Video Conferencing for resolving queries relating to respective committees.

- c) The Company held 5 Board Meetings during the FY 2020-21 dated July 14, 2020, September 14, 2020, November 03, 2020, December 04, 2020 and February 12, 2020. In view of COVID-19 pandemic prevailing throughout the year, the Board meetings were held via video conference mode as allowed under MCA Circular No. 20/2020 dated May 05, 2020 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. The necessary quorum was present for all the meetings.

During FY 2020-21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Report on Corporate Governance

- d) During FY 2020-21, one meeting of the Independent Directors was held on July 14, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Executive Chairman of the Company.
- e) There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the payment of sitting fees for attending Board and Committee Meetings in accordance with the applicable laws. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.
- f) Details of Equity shares of the Company held by the Directors as on March 31, 2021 are given below:

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

g) Details of Familiarization Programme for Independent Directors

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

The Company has adopted the familiarization programme for Independent Directors and the details of which are uploaded on the website of the Company at:

<http://smartlinkholdings.com/wp-content/uploads/2018/02/7.-Smartlink-Independent-Directors-Familiarization-Programme.pdf>

h) Key Board qualifications, expertise, competence and attributes

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

The Board has identified the following skills/expertise/competencies 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	✓	✓	✓	✓

i) Confirmation as regards Independence of Independent Directors

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

3. AUDIT COMMITTEE

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

With a view to have better governance and accountability, the Board has constituted an Audit Committee in line with the provisions of Regulation 18 of SEBI Listing Regulation and Section 177 of the Act. The composition of audit committee is as under:

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

b) Meetings during the year

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 July 14, 2020, September 14, 2020, November 03, 2020 and February 12, 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 through video conferencing for the Annual General Meeting of the Company held on December 11, 2020 for resolving queries of the shareholders.

c) Brief Description of Terms of reference

A. Terms of Reference

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

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

B. Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

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

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

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

D. The Audit Committee shall review the following information

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

The Chairman of NRC Committee was present through video conferencing for the Annual General Meeting of the Company held on December 11, 2020 for resolving queries of the shareholders.

b) Meetings during the year

During the FY 2020-21, one Committee meeting of Nomination and Remuneration was held on July 14, 2020.

c) Brief Description of Terms of Reference

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

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

d) Performance Evaluation criteria for Independent Directors

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

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the evaluation of Directors was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc. The performance evaluation of the Board and the Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman and Executive Directors was carried out by all the Independent Directors. Based on the feedback received from the Directors, the Board was of the opinion that the individual performance of the Independent Directors was effective for the FY 2020-21.

e) Nomination and Remuneration Policy

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

f) Remuneration paid to Directors

1. Executive Directors

Executive Director	Salary, Contribution to P.F, Perquisites & Commission
Mr. Kamalaksha Naik – Executive Chairman	Nil
Ms. Arati Naik – Executive Director	₹ 4.59 Lakh

Salient features of the Terms of Appointment

Particulars	Mr. Kamalaksha Naik	Ms. Arati Naik
Salary	₹6,25,000/- per month of which 50% will be fixed pay.	₹1,25,000/- per month
Perquisites/ Allowances	None	HRA of ₹62,500/- per month and other allowances not exceeding ₹60,700/- per month
Commission	Nil	Nil
Variable/ Performance Pay	Variable Pay/Performance Bonus shall be 50% of the consolidated remuneration.	Nil
Terms of Appointment	Re-appointed for a period of five years with effect from December 26, 2019	Appointed for a period of three years with effect from April 01, 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

2. Non-Executive Directors

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

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

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

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

Report on Corporate Governance

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

Non-Executive Directors	Sitting Fees (₹)
Mr. Krishnanand Gaonkar	2,55,000
Mr. Pankaj Baliga	2,55,000
Mr. Pradeep Rane	2,50,000
Mr. Bhanubhai Patel	2,50,000
Mr. Pradeep Pande	2,50,000

Note: During the year 2020-21, the Board of Directors approved not to pay sitting fees for committee meetings.

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

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

a) Terms of Reference

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

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

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

c) During the year one meeting of the Stakeholders Relationship Committee was held on March 16, 2021.

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

e) Details of investors complaints received and redressed during the FY 2020-21 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	8	8	NIL

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

a) Terms of Reference

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

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

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

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

During the year one meeting of the CSR Committee was held on July 14, 2020.

7. RISK MANAGEMENT POLICY

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

8. GENERAL BODY MEETING

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

Location	Date	Time
L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722	December 11, 2020	11.00 a.m.
	September 28, 2019	11.00 a.m.
	August 07, 2018	11.00 a.m.

b) Special Resolutions Passed

1. Special Resolutions passed at the last Annual General Meeting held on December 11, 2020 for:
 - i. Re-appointment of Mr. Pradeep Gopal Pande as an Independent Director to hold office for second term of two consecutive years;
 - ii. Approval of sharing/distribution of profit not exceeding 1% amongst Non-Executive Directors.
2. Special Resolutions passed at the Annual General Meeting held on September 28, 2019 for:
 - i. Re-appointment of Mr. K. R. Naik as an Executive Chairman of the Company for a further period of 5 years;
 - ii. Re-appointment of Mr. Pankaj Baliga as an Independent Director to hold office for second term of five consecutive years;
 - iii. Re-appointment of Mr. K. M. Gaonkar as an Independent Director to hold office for second term of five consecutive years;
 - iv. Re-appointment of Mr. Bhanubhai Patel as an Independent Director to hold office for second term of five consecutive years.
3. Special Resolution passed at the Annual General Meeting held on August 07, 2018 for:
 - i. Continuation of holding office of Mr. K. R. Naik as Executive Chairman of the Company who has attained the age of 70 years.

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

Brief Procedure for Postal Ballot	Time
Type of Meeting	Postal Ballot
Date of Postal Ballot Notice	January 11, 2020
Voting Period	January 12, 2021 to February 10, 2021
Type of Resolution	Special Resolution
Details of Voting Pattern	Votes in favour: 99,62,533 (99.99 %) Votes against: 550 (0.01%)
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of Declaration of result/date of approval	February 11, 2021
Item of Resolution passed through Postal Ballot	Approval for authorizing buy-back of equity shares from existing shareholders

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

None

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date : September 30, 2021

Time : 11.00 a.m.

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

b) Financial Calendar

The Company's financial year begins on April 1st and ends on March 31st every year. For the year ending March 31, 2022, the results will be announced as per the tentative schedules below:

Particulars	Date*
First Quarter Results	On or before August 14, 2021
Second Quarter Results	On or before November 14, 2021
Third Quarter Results	On or before February 14, 2022
Fourth Quarter Results	On or before May 30, 2022

* As extended by SEBI/MCA from time to time.

c) Dates of Book Closure

The register of members and the share transfer register will remain closed from September 16, 2021 to September 23, 2021 (both days inclusive).

d) Dividend payment date

Not Applicable

e) Listing on Stock Exchanges

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

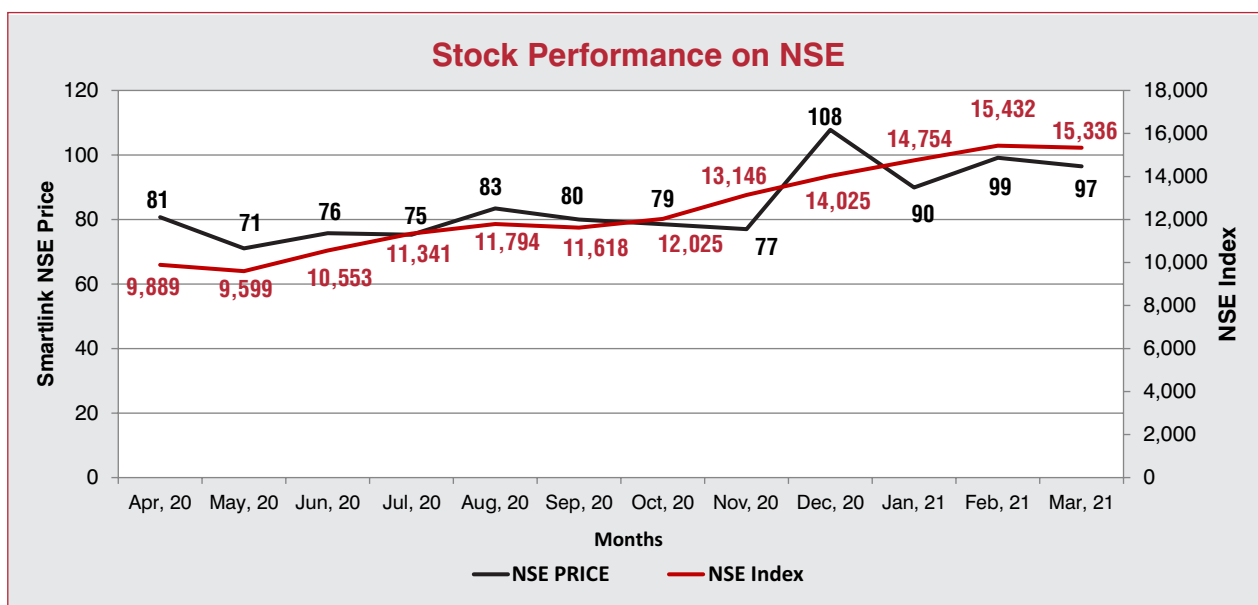
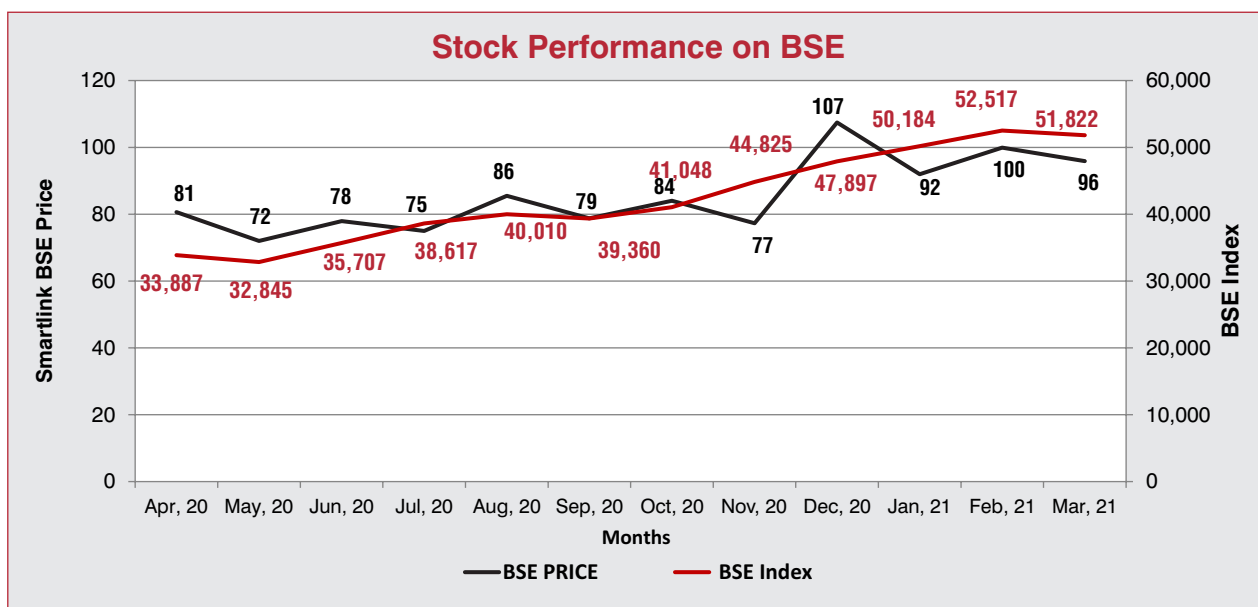
The listing fees were paid to the stock exchanges.

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

f) Market Price Data

Stock High/Low price during each month in the last financial year 2020-21 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, 20	80.65	60.20	33,887	27,501	80.70	59.00	9,889	8,056
May, 20	72.00	60.00	32,845	29,968	71.05	61.50	9,599	8,807
Jun, 20	77.95	63.35	35,707	32,348	75.75	62.30	10,553	95,44
Jul, 20	75.00	63.00	38,617	34,927	75.30	65.00	11,341	10,300
Aug, 20	85.50	63.55	40,010	36,911	83.45	63.10	11,794	10,882
Sep, 20	78.75	66.40	39,360	36,496	80.00	68.25	11,618	10,790
Oct, 20	84.00	68.00	41,048	38,410	78.50	67.80	12,025	11,347
Nov, 20	77.30	69.00	44,825	39,335	77.00	68.50	13,146	11,557
Dec, 20	107.45	72.60	47,897	44,118	107.80	72.00	14,025	12,963
Jan, 21	92.00	84.30	50,184	46,160	89.90	85.00	14,754	13,597
Feb, 21	99.90	83.50	52,517	46,434	99.15	86.50	15,432	13,662
Mar, 21	95.90	80.95	51,822	48,236	96.50	81.50	15,336	14,264



g) Trading of securities

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

h) Registrar and Share Transfer Agents

Kfin Technologies Private Limited

Unit: Smartlink Holdings Limited

Selenium Tower B, Plot No 31 & 32

Financial District, Nanakramguda,

Serilingampally Mandal,

Hyderabad – 500 032, Telangana

Toll Free No: 1800 309 4001

Fax No. 040-23001153

Email: einward.ris@kfintech.com

i) Share Transfer System

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

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

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

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

j) Distribution of Shareholding as on March 31, 2021

Sr. No.	Category (Shares) From – To	Number of shareholders	No. of Shares	% to Equity Capital
1.	1-500	11,181	11,40,471	8.58
2.	501-1000	503	4,04,402	3.04
3.	1001-2000	243	3,84,602	2.89
4.	2001-3000	82	1,98,745	1.49
5.	3001-4000	28	99,884	0.75
6.	4001-5000	25	1,20,023	0.90
7.	5001-10000	36	2,83,312	2.13
8.	10001 and above	28	1,06,68,561	80.22
Total		12,126	1,33,00,000	100

k) Shareholding Pattern as on March 31, 2021

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	4,77,929	3.59
4.	Individuals	28,05,322	21.10
5.	Clearing Members	21,889	0.17
6.	NRI's	58,900	0.44
7.	NBFC	363	0.00
8.	IEPF account	17,094	0.13
Total		1,33,00,000	100

l) Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on March 31, 2021 is 1,32,88,491 representing 99.91% of the total number of shares of the Company.

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

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

n) Plant Location

Not Applicable

o) Address for Correspondence

Shareholders Correspondence should be addressed to:

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

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

11. DISCLOSURES

- a) All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under regulation 23 of Listing Regulations;
- b) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matters related to capital markets during the last three years;
- c) The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behavior. No person has been denied the access to the Chairman of the Audit Committee;
- d) The Company has complied with all mandatory requirements as stated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e) The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website <https://www.smartlinkholdings.com/wp-content/uploads/2020/03/Subsidiary-Policy-2019-amended.pdf>;
- f) The related party transaction policy is disclosed on the website of the Company at <https://www.smartlinkholdings.com/wp-content/uploads/2021/05/Related-Party-Transactions-Policy-Smartlink-2021.pdf>;
- g) Details of foreign currency exposure and hedging – None;
- h) The Company had obtained a certificate from a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by the Board/ Ministry of Corporate Affairs or any such statutory authority as at March 31, 2021. The Certificate is part of this report;
- i) There are no instances where the board had not accepted any recommendation of any committee of the board which is mandatorily required, for the financial year ended March 31, 2021;
- j) 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 given in note No. 32 of the Consolidated Financial Statement;
- k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - i. Number of complaints filed during the financial year – Nil;
 - ii. Number of complaints disposed of during the financial year – Nil;
 - iii. Number of complaints pending as on end of the financial year – Nil.
- l) There is no non-compliance of any requirement of Schedule V (C) (2) to (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- m) Compliance with Non-Mandatory Requirements
 - i. The Board of Directors:
The Company has an Executive Chairman. No separate office is maintained for Non-Executive Chairperson and the expenses incurred by during performance of duties are reimbursed.
 - ii. Shareholder's Right:
The Company does not send half yearly declaration of financial performance to its shareholders. The financial results are displayed on the Company's website.
 - iii. Modified opinion in audit reports:
During the year under review, there were no audit qualifications on the Company's financial statements.
 - iv. Reporting of Internal Auditor
The Company has appointed Marathe Rao & Swarup, Chartered Accountants as the Internal Auditor of the Company for reviewing the internal control system operating in the Company. The Internal Auditor reports directly to the Audit Committee.
- n) The Company has complied with all the mandatory requirements as stated in Regulation 72 of SEBI Listing Regulations and Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regards to Corporate Governance;
- o) Disclosure with respect to Demat Suspense Account / Unclaimed suspense account:
There were no shares in the Demat suspense account or unclaimed suspense account during the FY 2020-21.

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

To The Members of
SMARTLINK HOLDINGS LIMITED

I have examined the compliance with conditions of Corporate Governance by **SMARTLINK HOLDINGS LIMITED** ('the Company') under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended March 31, 2021.

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 : June 30, 2021

Practicing Company Secretary
ACS No. 10454, CP No. 7853
UDIN: A010454C000546737

Annexure - E

STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

Sr. No.	Name of the Director/Key Managerial Personnel	Ratio of the remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Kamalaksha Naik - Executive Chairman & Promoter	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*	N.A.	NA
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.	Nil

*Ms. Arati was paid remuneration only for part of the year

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, 2021 as well as for the previous financial year.

- III. The percentage increase in the median remuneration of employees in the 2020-21 is -24%;
- IV. The number of permanent employees on the rolls of Company as on March 31, 2021 were 28;
- V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

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

Average percentile change in the salaries of employees other than Managerial Personnel is -13%;

- VI. Affirmation that the remuneration is as per the remuneration policy of the Company.

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

Annexure-F

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

1. A brief outline of 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 November 12, 2014 in accordance with the provisions of Section 135 of the Companies Act, 2013. CSR policies are to actively contribute to the social and economic development of the Country. In so doing and built a better, sustainable way of life, to contribute effectively towards inclusive growth and raise the Country's human development index. Our project focus on education, healthcare, relief to the families in case 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: ₹9,44,35,479/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹18,88,710/-
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 programs (2) Overheads	Cumulative expenditure Upto the reporting period	Amount Spent Direct or through implementing agency
1	Samast Mahajan	Animal Welfare & Disaster Relief Work.	Operational Area of Corporate Office, Mumbai	20,00,000	20,00,000	20,00,000	Implementing Agency

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

Mr. Bhanubhai Patel
Chairman of CSR Committee

Date : June 30, 2021
Place: Verna - Goa

Date : June 30, 2021
Place : Mumbai

Annexure - G

FORM NO. AOC-1

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

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

Part "A": Subsidiaries

(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	17 th August, 2016	17 th August, 2016	17 th November, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share capital	41,000,000	45,000,000	36,000,000
6.	Reserves & surplus	6,87,45,289	(12,50,96,589)	(4,05,14,824)
7.	Total assets	23,89,81,582	10,55,40,509	3,20,13,727
8.	Total Liabilities	12,92,36,293	18,56,37,098	3,65,28,551
9.	Investments	-	-	-
10.	Turnover	49,61,78,148	6,13,06,347	4,14,73,219
11.	Profit/Loss before taxation	6,19,78,385	(3,29,59,791)	(69,75,178)
12.	Provision for taxation	(3,04,63,467)	-	(189,656)
13.	Profit/Loss after taxation	9,24,41,852	(3,29,59,791)	(71,64,834)
14.	Other comprehensive income	3,15,728	2,16,975	40,682
15.	Total Comprehensive Income for the year	9,27,57,580	(3,27,42,816)	(71,24,152)
16.	Proposed Dividend	-	-	-
17.	Extent of shareholding (In percentage)	100	100	80

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

Part "B": Associates and Joint Ventures

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

Not Applicable

For and on behalf of the Board

Place : Verna, Goa
Dated : June 30, 2021

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure - H

FORM NO. AOC-2

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

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

1. Details of contract or arrangements or transactions not at arm's length basis: Smartlink Holdings Limited ('the Company') has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2020-21. 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

Mr. K. R. Naik

Executive Chairman

DIN: 00002013

Place: Verna - Goa

Date : June 30, 2021

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, 2021 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 : June 30, 2021

Practicing Company Secretary
ACS No. 10454, CP No. 7853
UDIN: A010454C000546737

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 March 31, 2021, 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

Verna, Goa, dated: June 30, 2021

K. R. Naik
Executive Chairman
DIN: 00002013

Independent Auditor's Report

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

Opinion

We have audited the standalone financial statements of Smartlink Holdings Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 46 to the standalone financial statements which states that the management has made an assessment of the impact of COVID-19 pandemic on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the standalone Financial Statements. Accordingly, no adjustments have been made to the standalone financial statements.

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.

1. Valuation of Investments in Bonds and Mutual Funds

Refer Note 9 to the standalone Financial Statements.

As at March 2021, the Company has investments of ₹16,091.26 Lakhs in mutual funds and bonds which constitutes about 80.24% of the total assets of the company. During the year, the Company has recognised ₹875.15 Lakhs as fair value gain in the statement of Profit and Loss as per the requirements of Ind AS 109 "Financial Instruments".

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

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

- Obtained an understanding and assessed the design, implementation and testing of the operating effectiveness of internal controls over the existence, valuation and classification, in mutual funds and bonds.
- Verified the de-mat account and statement of holdings to confirm the existence and accuracy of Bonds as at March 31, 2021.
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2021.
- In respect of investments in mutual funds which are fair valued through profit or loss, performed independent price checks based on confirmation and statement of Net Asset Value (NAV) from mutual funds houses.
- In respect of investments in bonds which are valued at amortised cost, verified the deal sheets and computation of interest accrued.
- Evaluated the basis of classification of investments into the various categories of financial instruments.
- Verified the completeness and accuracy of the disclosures, which are included in note 9 of the Standalone financial statements.

2. Impairment of Investment in subsidiaries

Refer Note 9 in standalone financial statements.

The Company has investments in subsidiaries at a gross value of ₹5,080.85 lakhs as on March 31, 2021. These investments are valued at cost less provision for impairment.

As at March 31, 2021, the Company has made a provision of ₹4,884.21 lakhs for impairment on investments in subsidiaries.

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

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

- Obtained an understanding and assessed the design, implementation and tested the operating effectiveness of internal controls over the valuation and impairment of investments in subsidiary companies.
- Reviewed the financial statements of the subsidiaries and the future business plans/ projections furnished by the management.
- Made corroborative inquiries with appropriate level of the management personnel about future business plans/projections of the subsidiaries.
- Evaluated the evidence supporting the judgement of the management about estimated future cash flow and the reasonableness of the estimates which included specific risk factors by comparing the actual results of the current year to previous estimates.
- Assessed the appropriateness of impairment provision recognized by the management as at March 31, 2021.
- Verified the completeness and accuracy of the disclosures, which are included in note 9 of the standalone financial statements.

Independent Auditor's Report

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

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

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

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

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

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

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

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

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

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

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

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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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 does not have any pending litigation impacting its financial position which requires disclosure in the standalone financial statements as at March 31, 2021.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
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

Darryl Frank
Partner

Place : Verna, Goa
Date : June 30, 2021

Membership No. 104096
UDIN: 21104096AAAAKF2774

Independent Auditor's Report

Annexure A to the Independent Auditor's Report

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of 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

Darryl Frank

Partner

Membership No.104096

UDIN: 21104096AAAAKF2774

Place : Verna, Goa

Date : June 30, 2021

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, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on even date to the Members of Smartlink Holdings Limited on the Standalone Financial Statements for the year ended March 31, 2021]

- 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 (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 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 not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from 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 records examined by us, the Company has been generally regular in depositing undisputed statutory dues in respect of provident fund, professional tax, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues as applicable, with the appropriate authorities though there has been delays in few cases with regards to professional tax. According to the information and explanations given to us, there are no arrears of outstanding undisputed statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. 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. The details of such transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, "Related Party Disclosure" specified under section 133 of the Act, read with relevant rules issued thereunder.
- xiv. 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 him. 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

Darryl Frank

Partner

Membership No.104096

UDIN: 21104096AAAAKF2774

Place : Verna, Goa
Date : June 30, 2021

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 of even date to the Members of Smartlink Holdings Limited on the Standalone Financial Statements for the year ended March 31, 2021]

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, 2021 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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

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

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, 2021, 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

Darryl Frank

Partner

Membership No. 104096

UDIN: 21104096AAAAKF2774

Place : Verna, Goa

Date : June 30, 2021

Balance Sheet as at 31 March, 2021

(Amount in INR, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	4	4,030,016	522,868
Bank Balance other than cash and cash equivalents	5	46,119,736	7,613,312
Investments	9	1,670,505,450	1,629,422,831
Receivables			
(i) Other Receivables	6	8,901,029	8,958,014
Other Financial assets	7	2,460,556	3,862,448
Non-financial Assets			
Tax assets (Net)	8	4,256,975	11,745,761
Investment Property	10	131,514,465	135,369,831
Property, Plant and Equipment	11	109,144,370	125,020,288
Capital work-in-progress		21,570,458	20,771,658
Intangible assets	12	464,717	1,079,244
Other non-financial assets	13	6,384,545	4,702,916
Total Assets		2,005,352,317	1,949,069,171
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8,295,749	3,863,390
Borrowing (Other than debt securities)	15	19,664,228	31,673,310
Other financial liabilities	16	10,122,230	6,646,519
Non-Financial Liabilities			
Provisions	17	518,706	1,386,194
Deferred tax liabilities (Net)	30	38,515,047	28,018,835
Other non-financial liabilities	18	256,112	942,054
EQUITY			
Equity Share capital	19	26,600,000	26,600,000
Other Equity	20	1,901,380,245	1,849,938,869
Total Liabilities and Equity		2,005,352,317	1,949,069,171

See accompanying notes forming part of the Financial Statements

1-47

The accompanying notes are an integral part of the financial statements

As per my report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.: 105047W

Darryl Frank

Partner

Membership No. 104096

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. M. Gaonkar

Director

DIN: 00002425

K. G. Prabhu

Chief Financial Officer

Urjita Damle

Company Secretary

ICSI Membership No.24654

Panaji, Goa, dated: June 30, 2021

Verna-Goa, dated: June 30, 2021

Statement of Profit and Loss for the year ended 31 March, 2021

(Amount in INR, unless otherwise stated)

Particulars	Note No.	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
INCOME			
Revenue from operations			
Interest Income	21	47,200,182	57,601,447
Rental Income		14,036,014	19,066,629
Fees and commission Income	22	589,457	590,543
Net gain on fair value changes	23	87,515,287	73,955,290
Total revenue from operations		149,340,940	151,213,909
Other Income	24	3,804,434	757,090
Total income		153,145,374	151,970,999
EXPENSES			
Finance costs	25	2,615,254	3,926,182
Impairment on financial instruments	26	-	123,568,939
Employee benefits expenses	27	28,349,811	28,946,140
Depreciation and amortisation expense	28	13,718,598	14,285,075
Others expenses	29	39,348,133	75,214,946
Total expenses		84,031,796	245,941,282
Profit / (Loss) before exceptional items and tax		69,113,578	(93,970,283)
Exceptional Items (Refer Note 11 (a))		-	42,477,982
Profit / (Loss) before tax		69,113,578	(136,448,265)
Tax Expense:			
- Current Tax		8,048,000	17,338,000
- Deferred Tax		10,077,187	(14,143,706)
- Taxes for earlier years		792,900	(8,226,038)
Total tax expense	30	18,918,087	(5,031,744)
Profit / (Loss) for the year		50,195,491	(131,416,521)
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		927,767	(546,599)
Income tax relating to above		(233,500)	137,568
Subtotal (A)		694,267	(409,031)
B. Items that will be reclassified to profit or loss			
Net fair value gain / (loss) on financial instruments		737,143	(3,370,404)
Income tax relating to above		(185,524)	848,263
Subtotal (B)		551,619	(2,522,141)
Other Comprehensive Income (A + B)		1,245,885	(2,931,172)
Total Comprehensive Income for the year		51,441,376	(134,347,693)
Basic and diluted Earnings per share			
(Nominal value per share ₹2)	31	3.77	(8.41)

See accompanying notes forming part of the Financial Statements

1-47

The accompanying notes are an integral part of the financial statements

As per my report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.: 105047W

Darryl Frank

Partner

Membership No. 104096

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. M. Gaonkar

Director

DIN: 00002425

K. G. Prabhu

Chief Financial Officer

Urjita Damle

Company Secretary

ICSI Membership No.24654

Panaji, Goa, dated: June 30, 2021

Verna-Goa, dated: June 30, 2021

Cash Flow Statement for the year ended 31 March, 2021

(Amount in INR, unless otherwise stated)

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Cash flow from operating activities		
Net Profit / (loss) before tax	69,113,578	(136,448,265)
Adjustments for:		
Depreciation and amortisation expense	13,718,598	14,285,075
Interest on income tax refund	(1,225,611)	(366,837)
Value of Building written off	-	42,477,982
Loss / (Profit) on Property, plant and equipment sold / written off (net)	(99,817)	252
Net gain on fair value changes	(87,515,287)	(73,955,290)
Impairment on financial instruments	-	123,568,939
EIR impact of security deposits and rent amortization	(147,256)	(105,009)
EIR impact of bonds acquisition cost	34,671	-
Waiver of lease rental payment	(837,546)	-
Unrealised Foreign exchange difference (net)	(2,895)	(6,493)
Finance costs	2,615,254	3,926,182
Guarantee commission	(589,457)	(590,543)
Gain on derecognition of financial instrument measured at amortised cost	(1,469,073)	-
Operating profit / (loss) before working capital changes	(6,404,841)	(27,214,007)
Changes in working capital		
(Increase) / Decrease in Investments	47,725,139	712,903,768
(Increase) / Decrease in Fixed deposits with Banks and interest accrued there on	(38,506,424)	38,079,464
(Increase) / Decrease in Other Receivables	56,985	(5,499,172)
(Increase) / Decrease in Other financial assets	1,782,917	(176,599)
(Increase) / Decrease in Other non-financial assets	(1,681,629)	(1,457,231)
Increase / (Decrease) in trade payables	4,432,359	1,009,201
Increase / (Decrease) Other financial liabilities	3,375,707	(36,747)
Increase / (Decrease) in Other non-financial liabilities	(685,942)	310,913
Increase / (Decrease) in provisions	60,279	(102)
Cash generated from / (used in) operations	10,154,550	717,919,488
Net Income tax (paid)/ refund	(126,503)	(17,190,856)
Net cash flows from / (used in) operating activities (A)	10,028,047	700,728,632
Cash flow from Investing activities		
Purchase of property, plant and equipment and investment property	(990,465)	(116,961,902)
Proceeds from Sale of property, plant and equipment and intangible assets	99,817	42,373
Net cash flows from / (used in) investing activities (B)	(890,648)	(116,919,529)
Cash flow from Financing activities		
Buyback of Company's equity shares	-	(474,500,000)
Tax on Buyback of Company's equity shares	-	(106,076,367)
Interest payments	(353,812)	(1,616,834)
Cash Payment for the principal portion of lease payments	(5,279,334)	(5,157,048)
Net cash flows from / (used in) financing activities (C)	(5,633,146)	(587,350,249)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	3,504,253	(3,541,146)
Cash and cash equivalents at the beginning of the year	522,868	4,057,521
Effect of exchange differences on restatement of foreign currency Cash and bank balance	2,895	6,493
Cash and cash equivalents at the end of the year	4,030,016	522,868
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	3,753,926	293,324
Cash on hand	276,090	229,544
Total cash and cash equivalents at end of the year	4,030,016	522,868
Non Cash Movement in Financing Activity		
Lease Liabilities	(6,729,748)	22,809,796

See accompanying notes forming part of the Financial Statements
The accompanying notes are an integral part of the financial statements
As per my report of even date

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

Darryl Frank
Partner
Membership No. 104096

Panaji, Goa, dated: June 30, 2021

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

K. R. Naik
Executive Chairman
DIN: 00002013

K. G. Prabhu
Chief Financial Officer

Verna-Goa, dated: June 30, 2021

K. M. Gaonkar
Director
DIN: 00002425

Urjita Damle
Company Secretary
ICSI Membership No: 24654

Statement of Changes in Equity for the year ended 31 March, 2021

(Amount in INR, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening	26,600,000	33,900,000
Add : Issued during the year	-	-
Less: Bought back during the year	-	(7,300,000)
Closing	26,600,000	26,600,000

OTHER EQUITY

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Total
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account			
Balance at 01 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

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Total
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account			
Balance at April 01, 2020	9,294,580	22,003,927	33,409,700	556,720,271	1,229,240,004	(405,266)	(324,347)	1,849,938,869
Profit for the year	-	-	-	-	50,195,491	-	-	50,195,491
Other comprehensive income / (loss)	-	-	-	-	-	694,267	551,619	1,245,885
Total Comprehensive Income for the year	-	-	-	-	50,195,491	694,267	551,619	51,441,376
Transfer to NBFC reserve fund	-	10,039,098	-	-	(10,039,098)	-	-	-
Balance at 31 March, 2021	9,294,580	32,043,025	33,409,700	556,720,271	1,269,396,397	289,001	227,272	1,901,380,245

Notes forming part of the financial statements for the year ended 31 March, 2021

(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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

The financial statements are presented in Indian Rupees (INR) 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 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives

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

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

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

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

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

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 recognized in profit or loss as incurred.

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

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

2.4 Intangible Assets

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

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

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

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

2.5 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.6 Fair value measurement

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

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

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

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

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

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

2.7 Revenue Recognition

(a) Interest income

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.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

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

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

(b) Revenue from lease rentals

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

(c) Dividend Income

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

(d) Trading Income

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

2.8 Taxes

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

(a) Current income tax

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

(b) Deferred tax

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

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

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

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

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

2.9 Leases

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

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

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

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

2.10 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the 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.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

2.11 Provisions and contingent liabilities

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

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

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

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

2.12 Cash and cash equivalents

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

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

2.13 Financial instruments

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

(a) Investment in subsidiary

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

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

(b) Other investments and financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

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

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

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

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

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

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(iii) Impairment of financial assets

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

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

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

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

(c) Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

(iii) Derecognition

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

(d) Financial Guarantee Contracts

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

(e) Offsetting financial instruments

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

2.14 Employee Benefits

(a) Short-term obligations

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

(b) long-term employee benefit obligations

(i) Defined contribution plan

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

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

(ii) Defined benefit plans

Gratuity:

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

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

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

(c) Other long term employee benefits:

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

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

2.15 Earnings Per Share

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

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

2.16 Borrowing Costs

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

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

- Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.17 Dividend on ordinary shares

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

2.18 Rounding off amounts

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

3 A. Significant accounting judgments, estimates and assumptions

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 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

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

(d) Impairment of non-financial assets

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

(e) Effective Interest Rate (EIR) method

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

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

(f) Impairment of financial asset

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

3 B. 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, 2021.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 4: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash on hand	276,090	229,544
Balances with banks		
On current accounts	3,753,926	293,324
Total	4,030,016	522,868

NOTE 5: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at 31 March, 2021	As at 31 March, 2020
In Fixed deposit with maturity for more than 12 months*	42,825,856	5,764,856
Accrued interest on fixed deposit	2,590,114	985,482
Unpaid dividend accounts	703,766	862,974
Total	46,119,736	7,613,312

*1. Includes INR 71,61,000/- (previous year INR 25,00,000/-) held as margin money against bank guarantee.

2. Includes INR 3,30,00,000/- (previous year NIL) held against corporate guarantee to bank for credit facilities availed by Digisol Systems Limited

NOTE 6: RECEIVABLES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Others Receivables		
Considered good (Refer Note 1 below)	8,901,029	8,958,014
From related parties (Note 1):		
Digisol Systems Limited	1,872,970	2,511,000
Synegra EMS Limited	2,543,782	4,541,004
Telesmart SCS Limited	3,272,422	1,384,158
Tanmatra Technologies Private Limited	-	147,500
	7,689,174	8,583,662
From others:	1,211,855	374,352
Total Receivables	8,901,029	8,958,014

NOTE 7: OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Security Deposits (Gross)	3,098,751	4,486,646
Less: Provision for Security deposits	(798,635)	(798,635)
Security Deposits (Net)	2,300,116	3,688,011
Advance to employees	160,440	174,437
Total	2,460,556	3,862,448

NOTE 8: TAX ASSETS (NET)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Advance payment of taxes and tax deducted at source (net of provisions for taxation)	4,256,975	11,745,761
Total	4,256,975	11,745,761

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 9: INVESTMENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investments measured at Cost		
Subsidiaries	508,085,241	507,495,247
Investments measured at amortised cost		
Debt securities	419,175,264	343,482,865
Fixed Deposits	41,714,417	-
Investments measured at Fair Value through Profit or Loss		
Mutual funds	1,189,950,598	1,085,601,572
Investments measured at Fair Value through Other Comprehensive Income		
Debt securities	4,930,000	186,193,217
Total - Gross (A)	2,163,855,520	2,122,772,901
Less: Allowance for Impairment loss (B)	(493,350,070)	(493,350,070)
Total - Net (A) - (B)	1,670,505,450	1,629,422,831
Investments outside India	-	-
Investments in India	1,670,505,450	1,629,422,831

DETAILS OF INVESTMENTS

Non Current Investments:

Particulars	Face Value	Nos		Amount	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
1. Investments measured at Cost					
Investments in Equity shares of subsidiaries (Unquoted): (Fully paid up)					
Digisol Systems Limited	1	41,000,000	41,000,000	428,246,322	427,656,322
Synegra EMS Limited	10	4,500,000	4,500,000	50,184,500	50,184,506
Telesmart SCS Limited	10	2,880,000	2,880,000	29,654,419	29,654,419
Total - Gross				508,085,241	507,495,247
Less: Allowance for Impairment loss				(488,420,070)	(488,420,070)
Total - Net				19,665,171	19,075,177
2. Investments measured at Amortised Cost					
Investments in bonds (Unquoted):					
Cholamandalam Perp NCD Series PDI 10 12.90%	500,000	40	40	24,158,000	24,179,205
Tata Power Company Limited 2072 - NCD 10.75%	1,000,000	55	55	59,000,993	59,017,192
Tata Steel Limited - NCD Perpetual 11.50%	1,000,000	30	30	32,985,288	32,994,740
Canara Bank BD Perpetual - 9.55%	1,000,000	10	10	10,058,357	10,058,357
ICICI BANK AT1 - BD 9.2%	1,000,000	50	50	50,184,088	50,184,088
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	1,000,000	30	30	32,090,301	32,097,534
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	1,000,000	30	30	32,094,041	32,101,027
HDFC Bank Limited Perpetual - BD 8.85%	1,000,000	20	20	21,614,329	21,614,329
Tata Motors Finance Limited Perpetual NCD -11.10%	1,000,000	30	30	34,291,767	34,282,644
Tata Capital Financial Services Ltd 8.70%	1,000	20,000	20,000	20,877,151	20,886,685
Bajaj Finance Ltd 2027 - NCD 8.15%	1,000,000	5	5	5,062,836	5,061,719

Notes forming part of the financial statements

NOTE 9: INVESTMENTS (CONTD.)

(Amount in INR, unless otherwise stated)

Particulars	Face Value	Nos		Amount	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	20,000	20,000	21,000,739	21,005,345
L&T Infrastructure Finance Company Limited - NCD 7.65%	2,500,000	12	-	31,185,295	-
L&T Infrastructure Finance Company Limited - NCD 8.81%	2,500,000	5	-	13,636,216	-
UP Power Corporation Limited - NCD 10.15%	1,000,000	10	-	10,290,116	-
North Eastern Electric Power Corporation Limited - NCD 7.68%	1,000,000	20	-	20,645,747	-
				419,175,264	343,482,865
Fixed Deposits (Unquoted)					
Fixed Deposit with Bajaj Finance Limited	20,000,000	1	-	20,864,177	-
Fixed Deposit with HDFC Limited	20,000,000	1	-	20,850,240	-
				41,714,417	-
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	-	12,029,924
HDFC Liquid Fund - Direct Plan - Growth	1,000	5,710.712	-	23,102,810	-
HDFC Corporate Bond Fund - Direct Plan - Growth	10	3,185,100.662	-	80,211,983	-
HDFC Corporate Bond Fund - Regular Plan - Growth	10	1,727,459.971	-	43,061,949	-
ICICI Mutual Fund					
ICICI Prudential Balanced Advantage Fund - Growth	10	-	2,378,364.858	-	72,706,614
ICICI Prudential Banking & PSU Debt Fund - Growth	10	2,125,581.217	1,036,185.396	53,099,995	24,000,437
ICICI Prudential Corporate Bond Fund - Growth	10	2,435,703.391	-	55,261,239	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	493,524.038	-	11,601,122	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	1,169,453.705	-	27,489,997	-
ICICI Prudential Short Term Fund - Growth Option	10	303,311.772	-	13,910,848	-
ICICI Prudential Overnight Fund - Direct Plan - Growth	100	539,493.974	-	59,873,850	-
Kotak Mahindra Mutual Fund					
Kotak Bond Fund Short Term - Growth - Regular Plan	10	1,504,985.518	-	61,485,882	-
Birla Sun Life Mutual Fund					
Birla Sun Life Banking & PSU DEBT Fund -Gr -Regular Plan	10	307,406.537	307,406.537	87,070,596	80,501,410
Birla Sun life Floating Rate Fund -Growth -Regular Plan	10	319,542.346	319,542.346	84,939,436	79,304,690
SBI Mutual fund					
SBI Short Term Debt Fund-Regular Plan-Growth	10	4,077,363.452	1,741,936.399	102,024,604	40,617,428
SBI Magnum Ultra Short Duration Fund Regular Growth	10	-	12,340.959	-	54,895,232
Franklin Templeton Mutual Fund					
Franklin India Ultra Short Bond Fund - Super Institutional Plan	10	-	2,396,689.196	-	65,922,614
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	20,049.301	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	-	-

Notes forming part of the financial statements

NOTE 9: INVESTMENTS (CONTD.)

(Amount in INR, unless otherwise stated)

Particulars	Face Value	Nos		Amount	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
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	21,347,291	20,429,097
Invesco India Short Term Fund - Direct Plan Growth (formerly known as Religare Mutual Fund Short Term Fund-Direct Plan Growth)	10	7,725.541	812.129	23,392,732	2,282,224
Invesco India Treasury Advantage Fund - Growth	10	4,359.096	4,359.096	12,926,539	12,161,866
L & T Mutual Fund					
L&T Low Duration Fund - Direct Plan - Growth	10	-	2,331,343.358	-	50,174,705
L & T Triple Ace Bond Fund - Direct Plan-Growth	10	1,009,526.058	748,456.718	60,207,226	41,364,733
L&T Short Term Bond Fund - Direct Plan - Growth	10	4,460,579.103	-	96,572,430	-
IDFC Mutual Fund					
IDFC Corporate Bond Fund - Direct Plan - Growth	10	8,172,767.048	8,172,767.048	124,779,355	114,113,077
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	10	2,090,144.455	744,379.932	40,842,468	13,372,115
IDFC Banking & PSU Debt Fund - Regular Plan - Growth	10	2,277,497.963	2,277,497.963	43,806,990	40,409,874
IDFC Bond Fund - Short Term Plan - Growth	10	1,117,092.905	-	52,349,431	-
Mahindra Mutual Fund					
Mahindra Liquid Fund - Direct - Growth	10	-	5,374.192	-	6,925,624
Mirae Mutual Fund					
Mirae Asset Cash Management Fund - Direct Plan - Growth	10	-	4,875.248	-	10,211,799
Mirae Asset Ultra Short Duration Fund - Direct Plan - Growth	1,000	10,408.437		10,591,825	
LIC Mutual Fund					
LIC Mutual Fund Saving Fund - Direct Plan - Growth	10	-	2,498,222.036	-	76,921,006
				1,189,950,598	1,085,601,572
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	-	58,034,776
LIC Housing Finance Limited 2020 - NCD 8.95%	1,000,000	-	10	-	10,594,105
IDFC Bank Ltd 2020 - NCD 8.64%	1,000,000	-	17	-	18,410,830
Can Fin Home Finance 2020 7.68%	1,000,000	-	14	-	13,752,810
HDFC Ltd - NCD 10.98%	10,000,000	-	5	-	55,803,101
Bajaj Finance Ltd 01/06/2020 - NCD 9.5%	1,000,000	-	5	-	5,417,595
				-	162,013,217
Preference Shares (Unquoted)					
L & T Finance Holding Ltd.- Preference Shares - 8.15%	100	-	200,000	-	19,250,000
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	340	340	4,930,000	4,930,000
Total - Gross				4,930,000	24,180,000
Less: Allowance for Impairment loss				(4,930,000)	(4,930,000)
Total - Net				-	19,250,000
Total Investments - Gross				2,163,855,520	2,122,772,901
Total Impairment				(493,350,070)	(493,350,070)
Total Investments - Net				1,670,505,450	1,629,422,831

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 10: INVESTMENT PROPERTY

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Land	78,766,683	-	-	78,766,683	2,533,730	974,330	-	3,508,060	75,258,623	76,232,953
Building	90,435,909	-	-	90,435,909	31,299,031	2,881,036	-	34,180,067	56,255,842	59,136,878
Total	169,202,592	-	-	169,202,592	33,832,761	3,855,366	-	37,688,127	131,514,465	135,369,831

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2020	As at 01 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

Note:

- (a) Comprises asset given on operating lease - gross value - on 31 March, 2021 ₹16,92,02,592/- (Previous year ₹16,92,02,592/-), written down value on 31 March, 2021 ₹13,15,14,465/- (Previous year ₹13,53,69,831/-)
- (b) ₹1,05,02,409/- (Previous year ₹1,55,61,994/-) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Land-Freehold	23,628,792	-	-	23,628,792	8,791,000	-	-	8,791,000	14,837,792	14,837,792
Buildings-Own Use	143,126,034	-	-	143,126,034	55,167,423	3,483,347	-	58,650,770	84,475,264	87,958,611
Furniture and Fixtures	20,001,133	-	-	20,001,133	19,895,661	25,453	-	19,921,114	80,019	105,472
Vehicles	3,392,640	-	591,190	2,801,450	1,837,213	521,051	591,190	1,767,074	1,034,376	1,555,427
Office Equipment	11,986,281	-	-	11,986,281	11,811,912	56,912	-	11,868,824	117,457	174,369
Electrical installations	39,523,953	39,302	-	39,563,255	39,083,402	75,591	-	39,158,993	404,262	440,551
Air conditioners	34,799,017	152,363	-	34,951,380	32,507,721	549,868	-	33,057,589	1,893,791	2,291,296
Computers	14,401,661	-	12,592,890	1,808,771	14,401,661	-	12,592,890	1,808,771	-	-
Right-of-use assets	23,610,173	5,646,892	21,922,961	7,334,104	5,953,403	4,536,483	9,457,191	1,032,695	6,301,409	17,656,770
Total	314,469,684	5,838,557	35,107,041	285,201,200	189,449,396	9,248,705	22,641,271	176,056,830	109,144,370	125,020,288

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Contd.)

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2020	As at 01 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

Footnote:-

- (a) During the previous year the Board of Directors at its meeting held on February 11, 2020 had 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 ₹4,24,77,982/- had been written off in the books and disclosed as Exceptional items for the year ended 31 March, 2020.

NOTE 12: INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Computer Software	29,312,838	-	19,716,767	9,596,071	28,233,594	614,527	19,716,767	9,131,354	464,717	1,079,244
Total	29,312,838	-	19,716,767	9,596,071	28,233,594	614,527	19,716,767	9,131,354	464,717	1,079,244

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2020	As at 01 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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 13: OTHER NON FINANCIAL ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Prepaid expenses	999,589	1,919,515
Surplus in Gratuity fund (funded) (Refer note 34)	957,534	-
Advance to vendor	2,055,904	1,009,309
Balance with government authorities	2,371,518	1,774,092
Total	6,384,545	4,702,916

NOTE 14: TRADE PAYABLES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,295,749	3,863,390
Total	8,295,749	3,863,390

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 15: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Borrowing measured at amortised cost		
Unsecured		
Lease liabilities	19,664,228	31,673,310
Total	19,664,228	31,673,310

NOTE 16: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deposits	1,867,233	1,774,368
Employee Payable	6,622,051	3,137,135
Unpaid dividend*	703,766	862,974
Financial Guarantee Obligation	198,822	198,279
Asset Retirement Obligation	730,358	673,763
Total	10,122,230	6,646,519

* During the year ₹1,59,208/- (Previous year ₹2,27,230/-) was transferred to the Investor Protection and Education Fund

NOTE 17: PROVISIONS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for gratuity (funded) (Refer note 34)	-	674,417
Provision for leave encashment (unfunded)	518,706	711,777
Total	518,706	1,386,194

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 18: OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Statutory dues payable	235,007	680,122
Rent received in advance	21,105	61,932
Other payables	-	200,000
Total	256,112	942,054

NOTE 19: 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, 2021	As at 31 March, 2020
Authorized		
3,50,00,000 Equity Shares of ₹2/- each	70,000,000	70,000,000
	70,000,000	70,000,000
Issued, Subscribed and paid up		
1,33,00,000 (Previous year 1,69,50,000) Equity Shares of ₹2/- each, fully paid-up	26,600,000	33,900,000
Less: NIL (Previous Year: 36,50,000) Equity Shares purchased under Buy-back scheme	-	7,300,000
Total	26,600,000	26,600,000

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Outstanding at the beginning of the year	13,300,000	16,950,000
Add: Issued during the year	-	-
Less: Buyback during the year	-	(3,650,000)
Outstanding at the end of the year	13,300,000	13,300,000

The Board of Directors of the Company at its meeting held on June 14, 2019 and July 31, 2019 and the Shareholders of the Company through postal ballot on July 30, 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 aggregate amount not exceeding ₹47,45,00,000/- from the existing shareholders of the Company under Tender Offer Mechanism. The offer was kept open from October 18, 2019 to November 04, 2019. The Company had bought back 36,50,000 Equity Shares and the shares were extinguished on November 19, 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, 2021		As at 31 March, 2020	
	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	6,650,000	50.00%	6,650,000	50.00%
Ms. Arati K. Naik	1,330,000	10.00%	1,330,000	10.00%
Mrs. Lakshana A. Sharma	1,130,500	8.50%	1,130,500	8.50%
Mrs. Sudha K. Naik	665,000	5.00%	665,000	5.00%

Notes forming part of the financial statements

NOTE 19: EQUITY SHARE CAPITAL (CONTD.)

(Amount in INR, unless otherwise stated)

- (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 outstanding
31.03.2021	-	13,300,000
31.03.2020	3,650,000	13,300,000
31.03.2019	5,600,000	16,950,000
31.03.2018	-	22,550,000
31.03.2017	7,454,850	22,550,000

NOTE 20: OTHER EQUITY

Particulars	As at 31 March, 2021	As at 31 March, 2020
General Reserve	556,720,271	556,720,271
Surplus in statement of profit and loss account	1,269,396,397	1,229,240,004
Statutory Reserve	32,043,025	22,003,927
Capital Contribution	9,294,580	9,294,580
Capital Redemption Reserve	33,409,700	33,409,700
FVTOCI Reserve on Financial Instruments	227,272	(324,347)
FVTOCI Reserve on defined benefit plans	289,001	(405,266)
Total	1,901,380,245	1,849,938,869

(A) General Reserve (GR)*

Particulars	As at 31 March, 2021	As at 31 March, 2020
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

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

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	1,229,240,004	1,941,232,892
Add : Net profit / (loss) for the year	50,195,491	(131,416,521)
Amount available for appropriations	1,279,435,495	1,809,816,371
Less : Appropriations		
Less: Transferred to NBFC reserve fund	(10,039,098)	-
Less: Paid to Shareholders for purchase of shares under buyback scheme	-	(474,500,000)
Less: Buyback Tax	-	(106,076,367)
Closing balance	1,269,396,397	1,229,240,004

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

Notes forming part of the financial statements

NOTE 20: OTHER EQUITY (CONTD.)

(Amount in INR, unless otherwise stated)

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	22,003,927	22,003,927
Add: Transfer from surplus in statement of profit and loss account	10,039,098	-
Closing balance	32,043,025	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.

(D) Capital Contribution*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	9,294,580	5,669,165
Add / (less): Change during the year	-	3,625,415
Closing balance	9,294,580	9,294,580

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

(E) Capital Redemption Reserve*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	33,409,700	26,109,700
Add: NIL Equity Shares (Previous year 36,50,000) of ₹2/- each purchased under buyback scheme	-	7,300,000
Closing balance	33,409,700	33,409,700

*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.

(F) FVTOCI Reserve on financial instruments*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	(324,347)	2,197,794
Add / (less): Change during the year	551,619	(2,522,141)
Closing balance	227,272	(324,347)

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

(G) FVTOCI Reserve on defined benefit plans*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	(405,266)	3,765
Add / (less): Change during the year	694,267	(409,031)
Closing balance	289,001	(405,266)

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 21: INTEREST INCOME

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
On financial assets measured at FVTOCI		
Interest on bonds	8,146,924	20,779,118
Interest on preference shares	585,985	2,049,866
	8,732,909	22,828,984
On financial assets measured at amortised cost		
Interest on bonds	34,198,181	31,507,461
Interest on deposits with banks	2,268,412	1,577,058
Interest on deposits with financial institutions	1,853,424	1,582,935
Other interest income	147,256	105,009
	38,467,273	34,772,463
Total	47,200,182	57,601,447

NOTE 22: FEES AND COMMISSION INCOME

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Guarantee Commission Income	589,457	590,543
Total	589,457	590,543

NOTE 23: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES*

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
On financial instruments designated at fair value through profit or loss	87,515,287	73,955,290
Total	87,515,287	73,955,290
Fair Value changes:		
- Realised	52,724,037	113,853,261
- Unrealised	34,791,250	(39,897,971)

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

NOTE 24: OTHER INCOME

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Gain on derecognition of RoU assets	1,469,073	-
Interest on income tax refund	1,225,611	366,837
Profit on Property, plant and equipment sold / written off (net)	99,817	-
Sale of Scrap	169,492	123,050
Foreign Exchange gain - (net)	2,895	12,689
Waiver of lease rental payment	837,546	-
Miscellaneous Income	-	254,514
Total	3,804,434	757,090

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 25: FINANCE COSTS

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
On Financial liabilities measured at Amortised Cost		
Interest on deposits	42,867	141,545
Interest on borrowings	2,161,980	2,167,803
Other interest expense	410,407	1,616,834
Total	2,615,254	3,926,182

NOTE 26: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
On Financial instruments measured at cost		
Impairment of investment in subsidiaries	-	123,568,939
Total	-	123,568,939

NOTE 27: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Salaries and wages	26,279,222	26,985,861
Contribution to provident and other funds (Refer Note 34)	795,768	893,600
Gratuity expenses (Refer Note 34)	295,816	249,613
Staff welfare expenses	979,005	817,066
Total	28,349,811	28,946,140

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

NOTE 28: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Depreciation on property, plant and equipment	9,248,705	9,400,480
Amortization on Intangible Assets	614,527	1,757,493
Depreciation on Investment Property	3,855,366	3,127,102
Total	13,718,598	14,285,075

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 29: OTHER EXPENSES

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Rent, Rate and taxes	1,043,403	3,752,364
Repairs and maintenance	2,256,634	3,577,958
Communication Expenses	638,855	741,897
Printing and stationery Expenses	81,337	517,435
Advertisement Expenses	1,835,010	2,612,623
Director's fees	1,373,400	3,128,300
Auditor's fees and Expenses (Refer footnote 1)	1,323,276	1,075,196
Legal and Professional charges (Refer footnote 1)	9,992,950	16,767,493
Insurance	1,297,777	1,008,031
Excise Duty paid (Refer footnote 2)	-	18,449,072
Annual maintenance expense	1,128,594	2,516,790
Software connectivity license/maintenance expenses	4,271,773	1,370,069
Travelling and conveyance expenses	991,020	3,860,303
Power and Fuel expenses	6,021,340	5,648,915
Membership and subscription fees	117,490	56,288
Loss on sale/write off of Property, Plant and Equipment	-	252
Office Expenses	1,015,135	802,270
Application, Registration & Filing Fees	1,609,395	2,395,639
Expenditure on Corporate Social responsibility (Refer Note 43)	2,000,000	5,374,560
Miscellaneous Expenses	2,141,634	1,538,497
Bank charges	209,110	20,994
Total	39,348,133	75,214,946

Notes:

1 Payment to Auditors

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Charged to Auditor's fees and Expenses:		
Statutory audit fees including GST expensed	1,281,000	981,000
Reimbursement of expenses including GST expensed	42,276	94,196
	1,323,276	1,075,196
Charged to Legal and Professional fees:		
Other certification fees including GST expensed	65,400	196,200
Total	1,388,676	1,271,396

2. The company has provided a one-time expense of ₹1,84,49,072/- for the year ended 31 March, 2020 against various disputed liabilities under Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 announced by the Government of India. The amount has subsequently been settled.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 30: INCOME TAX EXPENSE

(A) Deferred tax relates to the following:

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Deferred tax assets		
On account of timing difference in retiral and other employee benefits	130,548	348,877
on account of fair value of financial assets designated at FVTOCI	1,240,782	1,437,972
Provision for doubtful debts / advances	201,000	201,000
On disallowance u/s 40a of Income Tax Act, 1961	386,900	70,071
	1,959,230	2,057,920
Deferred tax liabilities		
On property, plant and equipment	14,755,800	13,711,542
on account of fair value of financial assets designated at FVTPL	25,718,477	16,365,213
	40,474,277	30,076,755
Deferred tax liability (Net)	(38,515,047)	(28,018,835)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Opening balance as of 1 April	(28,018,835)	(43,148,372)
Tax assets / (liabilities) recognized in Statement of Profit and Loss	(10,077,187)	14,143,706
Tax assets / (liabilities) recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	(233,500)	137,568
On preference shares and bonds	(185,524)	848,263
Closing balance as at 31 March	(38,515,047)	(28,018,835)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Tax liability	10,077,187	(14,143,706)
Tax asset	-	-
Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss	10,077,187	(14,143,706)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
- Current tax	8,048,000	17,338,000
- Adjustments in respect of current income tax of previous year	792,900	(8,226,038)
- Deferred tax charge / (income)	10,077,187	(14,143,706)
Income tax expense reported in the statement of profit or loss	18,918,087	(5,031,744)

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 30: INCOME TAX EXPENSE (CONTD.)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Net fair value (gain)/loss on debt securities	185,524	(848,263)
Net loss/(gain) on remeasurements of defined benefit plans	233,500	(137,568)
Income tax expense charged / (credit) to OCI	419,024	(985,831)

(F) Reconciliation of tax charge

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Profit before tax	69,113,578	(136,448,265)
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	17,394,505	(34,341,299)
Tax effects of:		
- Item not deductible for tax / (taxable)	730,682	43,801,713
- Income not chargeable to tax	-	(410,271)
Effect due to change in tax rate	-	(5,855,849)
Earlier year adjustment	792,900	(8,226,038)
Income tax expense	18,918,087	(5,031,744)

NOTE 31: 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, 2021	For the Year Ended 31 March, 2020
Ordinary equity shareholders		
Profit/ (Loss) attributable to ordinary equity holders	50,195,491	(131,416,521)
Weighted average number of equity shares	13,300,000	15,623,634
Face Value per share	2	2
Basic earnings per share (INR)	3.77	(8.41)
Diluted earnings per share (INR)	3.77	(8.41)

NOTE 32: CONTINGENT LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Bank guarantees given in favour of Electricity Department - Government of Goa	7,161,000	2,500,000
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
Total	207,161,000	202,500,000

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 33: CAPITAL AND OTHER COMMITMENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Estimated amount of contracts remaining to be executed on capital account	27,504,000	27,504,000
Non-cancellation lease liabilities (Refer Note 35)	94,558,653	109,058,779

NOTE 34: EMPLOYEE BENEFITS

(A) Defined Contribution Plans

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Employers' Contribution to Provident Fund, Pension Scheme and Employee State Insurance (Refer note 27)	795,768	893,600

(B) Defined benefit plans

a) Gratuity payable to employees

Particulars	As at 31 March, 2021	As at 31 March, 2020
i) Actuarial assumptions		
Discount rate (per annum)	6.70%	6.62%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	12.43	11.80
Attrition rate	PS: 0 to 5 : 9% PS: 5 to 40 : 0%	PS: 0 to 5 : 9% PS: 5 to 40 : 0%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	2,863,461	1,976,388
Interest cost	189,131	149,690
Current service cost	259,768	228,140
Benefits paid	(47,022)	(47,022)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(15,173)	273,588
Actuarial (gain)/ loss on obligations - Due to experience	(878,863)	282,677
Present value of obligation at the end of the year	2,371,302	2,863,461
iii) Change in the fair value of plan assets:		
Opening fair value of plan assets	2,189,044	1,568,599
Adjustment to Opening Fair Value of Plan Asset	-	28,252
Interest Income	153,083	128,217
Contributions by employer	1,000,000	501,332
Benefits paid	(47,022)	(47,022)
Return on plan assets excluding interest income	33,731	9,666
Closing fair value of plan assets	3,328,836	2,189,044

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 34: EMPLOYEE BENEFITS (CONTD.)

a) Gratuity payable to employees (contd.)

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
iv) Expense recognized in the Statement of Profit and Loss		
Current service cost	259,768	228,140
Past service cost	-	-
Interest cost (net)	36,048	21,473
Total expenses recognized in the Statement Profit and Loss*	295,816	249,613

*Included in Employee benefits expense (Refer Note 27).

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
v) Expense recognized in Other comprehensive income		
Actuarial (gain) / loss on Obligation for the period	(894,036)	556,265
Return on plan assets excluding interest income	(33,731)	(9,666)
Net actuarial (gains) / losses recognised in OCI	(927,767)	546,599

Particulars	As at 31 March, 2021	As at 31 March, 2020
vi) Assets and liabilities recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	2,371,302	2,863,461
Fair Value of Plan Assets at the end of the year	3,328,836	2,189,044
Net asset / (liability) recognized in Balance Sheet*	957,534	(674,417)

* liability Included in Provisions (Refer note 17) and asset in Other Non Financial assets (Refer note 13)

vii) Expected contribution to the fund in the next year INR 2,03,198/-

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

Impact on Present Value obligation	For the Year Ended 31 March, 2021		For the Year Ended 31 March, 2020	
	+1%	-1%	+1%	-1%
Change in discount rate	2,194,610	2,573,478	2,584,718	3,190,880
Change in salary escalation rate	2,574,173	2,190,998	3,084,533	2,637,911

ix) Maturity profile of defined benefit obligation

Years	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Year 1	291,758	12,982
Year 2	11,788	307,862
Year 3	16,400	14,042
Year 4	15,623	17,935
Year 5	18,389	18,975
Year 6 to 10	2,362,677	2,442,517

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 35: 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 (RoU) relating to the head lease in its statement of financial position. During the term of the sublease, the intermediate lessor: Recognises a depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sublease.

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

Variable lease payments based on an index or a rate: Variable lease payments based on an index or a rate (for example, linked to a consumer price index, a benchmark interest rate or a market rental rate) are part of the lease liability. From the perspective of the lessee, these payments are unavoidable, because any uncertainty relates only to the measurement of the liability but not to its existence. Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date (instead of forward rates/ indices). This means that an entity does not forecast future changes of the index/ rate; these changes are taken into account at the point in time in which lease payments change. However, based on management's estimates that lease payment increases 10% after a period of a period of three years. Therefore, based on management judgement, estimates and conservative approach it is estimated, lease liability has been calculated based on these estimated cash flows.

Following are the changes in the carrying value of right of use assets for the year ended 31 March, 2021:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
Balance as on 01 April, 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
Additions	5,454,139	192,753	5,646,892
Deletion	12,065,368	400,402	12,465,770
Depreciation	4,383,109	153,374	4,536,483
Balance as on 31 March, 2021	6,134,230	167,179	6,301,409

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, 2021:

Particulars	Amount
Balance as on 01 April, 2019	14,020,562
Additions	20,641,993
Finance cost accrued during the period	2,167,803
Payment of lease liabilities	(5,157,048)
Balance as on 31 March, 2020	31,673,310

Particulars	Amount
Balance as on April 01, 2020	31,673,310
Additions	5,454,139
Deletion	(13,508,321)
Finance cost accrued during the period	2,161,980
Payment of lease liabilities	(5,279,334)
Waiver of Lease rental	(837,546)
Balance as on 31 March, 2021	19,664,228

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 35: LEASES (CONTD.)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2021 on an undiscounted basis:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Less than one year	3,146,112	8,111,604
One to five years	8,158,183	17,692,817
More than five years	83,254,358	83,254,358
Total	94,558,653	109,058,779

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease rentals paid on short term leases for current year INR Nil (previous year INR 35,000/-)

(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 1,40,36,014/- for the year ended 31 March, 2021 (previous year INR 1,90,66,629).

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Within one year	16,313,164	18,905,664
After one year but not more than five years	4,122,438	15,441,102

NOTE 36: 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

Mr. K. G. Prabhu - Chief Financial Officer

Ms. Urjita Damle - Company Secretary

Relatives of key management personnel

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Mrs. Lakshana A. Sharma

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 36: 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, 2021			For the year ended 31 March, 2020		
	Subsidiary	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personnel	Subsidiary	Enterprise over which key management person is able to exercise significant influence	Key Management Personnel/ Relative of Key management personnel
Rent Income						
Digisol Systems Limited	5,280,000	-	-	5,280,000	-	-
Synegra EMS Limited	1,393,853	-	-	5,575,414	-	-
Telesmart SCS Limited	1,708,834	-	-	2,563,250	-	-
Tanmatra Technologies Private Limited	-	-	-	-	100,000	-
Charge received for consumption of Electricity						
Digisol Systems Limited	-	-	-	600,000	-	-
Purchase of Networking Products						
Digisol Systems Limited	21,388	-	-	256,064	-	-
Charged towards CSR expenses						
Digisol Systems Limited	-	-	-	758,607	-	-
Managerial Remuneration						
Ms. Arati K. Naik						
Short-term employee benefits	-	-	458,900	-	-	2,978,400
Post-employment benefits	-	-	3,600	-	-	21,600
Mr. K. G. Prabhu						
Short-term employee benefits	-	-	-	-	-	-
Post-employment benefits	-	-	-	-	-	-
Ms. Urjita Damle						
Short-term employee benefits	-	-	1,092,552	-	-	1,259,746
Post-employment benefits	-	-	21,600	-	-	21,600
Director Sitting Fees						
Mr. Krishnand Maruti Gaonkar	-	-	255,000	-	-	660,000
Mr. Pankaj Madhav Baliga	-	-	255,000	-	-	710,000
Mr. Pradeep Anant Rane	-	-	250,000	-	-	650,000
Mr. Bhanubhai Ramjibhai Patel	-	-	250,000	-	-	550,000
Mr. Pradeep Gopal Pande	-	-	250,000	-	-	300,000
Consideration paid for Buyback of Shares						
Mr. Kamalaksha R. Naik	-	-	-	-	-	248,009,190
Mr. Kamalaksha R. Naik (HUF)	-	-	-	-	5,382,130	-
Ms. Aarti K. Naik	-	-	-	-	-	49,480,080
Mrs. Sudha K. Naik	-	-	-	-	-	24,741,080
Mrs. Lakshana A. Sharma	-	-	-	-	-	40,373,320
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	-	-	200,000,000	-	-

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 36: RELATED PARTY DISCLOSURES (Contd.):

Balances due from and due to related parties

Particulars	As at 31 March, 2021	As at 31 March, 2020
Amount due from related party as on:		
Subsidiary Companies:		
Digisol Systems Limited	1,872,970	2,511,000
Synegra EMS Limited	2,543,782	4,541,004
Telesmart SCS Limited	3,272,422	1,384,158
Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence		
Tanmatra Technologies Private Limited	-	147,500
Amount due to related party as on:		
Subsidiary Companies:		
Digisol Systems Limited	-	87,955
Amount of Corporate Guarantee given and outstanding as on:		
Subsidiary Companies:		
Digisol Systems Limited	200,000,000	200,000,000

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 37: 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 38: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

B. Measurement of fair value

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

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

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

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 39: 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, 2021	As at 31 March, 2020
Financial assets measured at amortized cost			
Investments in Debt securities	Level 3	419,175,264	343,482,865
Fixed Deposits	Level 3	41,714,417	-
Security Deposits	Level 3	2,300,116	3,688,011
Financial assets measured at fair value			
(a) Financial assets measured at fair value through profit or loss	Level 2	1,189,950,598	1,085,601,572
Investments in mutual funds			
(b) Financial assets measured at fair value through other comprehensive income	Level 2	4,930,000	186,193,217
Investments in Debt securities			
Financial liabilities measured at amortized cost			
Security Deposits	Level 3	1,867,233	1,774,368
Lease Liabilities	Level 3	19,664,228	31,673,310
Financial guarantee obligation	Level 3	198,822	198,279
Asset retirement obligation	Level 3	730,358	673,763

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

NOTE 40: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Company's position with regards to interest income, treasury team manages the interest rate risk by diversifying its portfolio across tenures. The Company does not have exposure to the risk of changes in market interest rates as the Company's long-term debt obligations are with fixed interest rates.

(ii) Price risk

The Company's exposure to securities risk arises from investments held by the Company and classified in the Balance Sheet as fair value through OCI.

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily arises from cash equivalents, trade receivables, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss or other comprehensive income. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Notes forming part of the financial statements

NOTE 39: FAIR VALUE HIERARCHY (CONTD.)

(Amount in INR, unless otherwise stated)

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 31 March, 2021 and 31 March, 2020 is the carrying amounts as mentioned in Note 6, 7, 9 and 13.

(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 41: 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, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	4,030,016	-	4,030,016	522,868	-	522,868
Bank Balance other than Cash and cash equivalents	703,766	45,415,970	46,119,736	862,974	6,750,338	7,613,312
Investments	1,189,950,598	480,554,852	1,670,505,450	1,266,864,789	362,558,042	1,629,422,831
Receivables- Other Receivables	8,901,029	-	8,901,029	8,958,014	-	8,958,014
Other financial assets	160,440	2,300,116	2,460,556	174,437	3,688,011	3,862,448
Non Financial Assets						
Tax assets (Net)	4,256,975	-	4,256,975	11,745,761	-	11,745,761
Investment Property	-	131,514,465	131,514,465	-	135,369,831	135,369,831
Property, Plant and Equipment	-	109,144,370	109,144,370	-	125,020,288	125,020,288
Capital work-in-progress	-	21,570,458	21,570,458	-	20,771,658	20,771,658
Intangible assets	-	464,717	464,717	-	1,079,244	1,079,244
Other non-financial assets	5,427,011	957,534	6,384,545	4,702,916	-	4,702,916
Total Assets	1,213,429,835	791,922,482	2,005,352,317	1,293,831,759	655,237,412	1,949,069,171
Financial liabilities						
Trade Payables	8,295,749	-	8,295,749	3,863,390	-	3,863,390
Borrowing (Other than debt securities)	1,972,719	17,691,509	19,664,228	5,624,234	26,049,076	31,673,310
Other financial liabilities	9,391,872	730,358	10,122,230	5,692,756	953,763	6,646,519
Non financial liabilities						
Provisions	375,529	143,177	518,706	1,355,885	30,309	1,386,194
Deferred tax liabilities (Net)	-	38,515,047	38,515,047	-	28,018,835	28,018,835
Other non-financial liabilities	256,112	-	256,112	942,054	-	942,054
Total Liabilities	20,291,981	57,080,091	77,372,072	17,478,319	55,051,983	72,530,302
Net	1,193,137,854	734,842,391	1,927,980,245	1,276,353,440	600,185,429	1,876,538,869

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 41: MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTD.)

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 (₹ crore)	% of total liabilities
Not Applicable			

(v) Stock Ratios:

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

Not Applicable

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

Not Applicable

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Short term liabilities as a % of total public funds	-	-
Short term liabilities as a % of total Liabilities	26.23%	24.10%
Short term liabilities as a % of total Assets	1.01%	0.90%

(vi) Institutional set-up for liquidity risk management

Not Applicable

NOTE 42: 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 31 March, 2021 and 31 March, 2020.

Notes forming part of the financial statements

(Amount in INR, unless otherwise stated)

NOTE 43:

As per provisions of section 135 of Companies Act 2013, the Company was required to spend INR 18,88,710/- (31 March, 2020: INR 21,63,475/-) 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 20,00,000/- (31 March, 2020: INR 53,74,560) towards Corporate Social Responsibility activities as under:

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above		
- Installation of Networking products in various schools	-	844,010
- Contribution to Covid Relief Fund	-	500,000
- Contribution to Foundation's/Trust's	2,000,000	4,000,000
- Education purpose	-	30,550
Total	2,000,000	5,374,560

NOTE 44:

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
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 45:

Pursuant to the requisite approvals by the Board of Directors, the Shareholders and the Securities and Exchange Board of India (SEBI), the Company bought back 33,25,000 Equity Shares (aggregating up to 25% of the paid-up equity share capital of the Company) at ₹95/- per share, aggregating to ₹31,58,75,000/-, and the corresponding shares have been extinguished on May 27, 2021. Subsequent to the buy back the paid up equity share capital of the Company has reduced from ₹2,66,00,000/- to ₹1,99,50,000/-.

Notes forming part of the financial statements

NOTE 46:

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and its resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

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 31 March, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

NOTE 47:

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

As per my report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.: 105047W

Darryl Frank

Partner

Membership No. 104096

Panaji, Goa, dated: June 30, 2021

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. G. Prabhu

Chief Financial Officer

Verna-Goa, dated: June 30, 2021

K. M. Gaonkar

Director

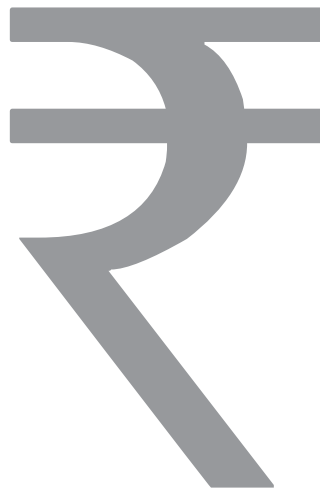
DIN: 00002425

Urjita Damle

Company Secretary

ICSI Membership No.24654

Consolidated Financial Information



Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Smartlink Holdings Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of our reports on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 48 to the consolidated financial statements which states that the management has made an assessment of the impact of COVID-19 pandemic on the Group's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the consolidated Financial Statements. Accordingly, no adjustments have been made to the consolidated financial statements.

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.

1. Revenue Recognition from Networking Products

Refer the disclosure related to Revenue recognition in Note 25 to the accompanying Consolidated Financial Statements.

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

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

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

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

- Obtained an understanding and assessed the design, implementation and operating effectiveness of internal controls over identification of the contractual obligation existence, accuracy and timing of revenue recognition.
- Verified the contracts on test check basis to identify performance obligations under the contract and to assess whether revenue is recognised in the period in which the performance obligation is satisfied.
- Performed substantive transactional testing on test check basis.
- Performed substantive analytical procedures considering the revenue trends of the previous years and the relationship between revenue and other financial statement line items.
- Reconciled the revenue with sales register.
- Performed cut-off testing to validate the timing of revenue recognition determined by management.
- Verified the completeness and accuracy of the disclosures, which are included in note 25 of the consolidated financial statements.

2. Valuation of Investments in Bonds and Mutual Funds

Refer Note 12 to the consolidated financial statements.

As at March 31, 2021, the Holding Company has investments of ₹16,091.26 Lakhs in mutual funds and bonds which constitutes about 70% of the total assets of the Group. During the year, the Holding Company has recognised ₹875.15 Lakhs as fair value gain in the statement of Profit and Loss as per requirements of Ind AS 109 "Financial Instruments".

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

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

- Obtained an understanding and assessed the design, implementation and testing of the operating effectiveness of internal controls over the existence, valuation and classification, in mutual funds and bonds.
- Verified the de-mat account and statement of holdings to confirm existence and accuracy of Bonds as at March 31, 2021
- Verified the confirmations from Fund Houses and statements of holdings to confirm existence and accuracy of investments in Mutual Funds as on March 31, 2021.
- In respect of investments in mutual funds which are fair valued through profit or loss, performed independent price checks based on confirmation and statement of Net Asset Value (NAV) from mutual funds houses.

Independent Auditor's Report

- In respect of investments in bonds which are valued at amortised cost, verified the deal sheets and computation of interest accrued.
- Evaluated the basis of classification of investments into the various categories of financial instruments.
- Verified the completeness and accuracy of the disclosures, which are included in note 12 of the Consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

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 our reports on the audit of the subsidiaries.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and our reports of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2021 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 Group does not have any pending litigation impacting its financial position which requires disclosure in the consolidated financial statements as at March 31, 2021.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
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 MSA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Darryl Frank

Partner

Membership No. 104096

UDIN: 21104096AAAKG2665

Place : Verna, Goa
Date : June 30, 2021

Independent Auditor's Report

Annexure A to the Independent Auditor's Report

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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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

Darryl Frank

Partner

Membership No.104096

UDIN: 21104096AAAAKG2665

Place : Verna, Goa
Date : June 30, 2021

Annexure B to the Independent Auditor's 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, 2021]

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, 2021, 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 and 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 and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and 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 and 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, 2021, 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 MSA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place : Verna, Goa
Date : June 30, 2021

Darryl Frank
Partner
Membership No. 104096
UDIN: 21104096AAAAKG2665

Consolidated Balance Sheet as at 31 March, 2021

(Amount in INR, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	4	5,431,004	2,508,857
Bank Balance other than cash and cash equivalents	5	100,294,797	62,256,873
Receivables			
(I) Trade Receivables	6	87,659,590	78,440,808
(II) Other Receivables	7	1,211,852	896,204
Investments	12	1,650,840,279	1,610,347,654
Other Financial assets	7	3,715,985	6,412,962
Non-financial Assets			
Tax assets (Net)	8	5,276,658	12,355,700
Investment Property	9	111,311,564	113,761,505
Property, Plant and Equipment	10	182,597,070	219,327,340
Capital work-in-progress		21,570,458	20,771,658
Intangible assets	11	1,703,876	3,431,176
Inventories	13	68,980,891	98,219,551
Other non-financial assets	14	57,183,358	60,237,024
Total Assets		2,297,777,382	2,288,967,312
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		362,323	150,202
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		79,082,084	110,615,940
Borrowings (Other than Debt Securities)	16	236,212,618	267,364,917
Other financial liabilities	17	28,648,211	19,812,506
Non-Financial Liabilities			
Provisions	18	4,397,359	5,976,348
Deferred tax liabilities (Net)	33	8,190,291	27,848,020
Other non-financial liabilities	19	6,819,352	27,242,340
EQUITY			
Equity Share capital	20	26,600,000	26,600,000
Other Equity	21	1,907,267,176	1,801,734,241
Non-Controlling Interest	22	197,968	1,622,798
Total Liabilities and Equity		2,297,777,382	2,288,967,312

See accompanying notes to the consolidated financial statements 1-50
The accompanying notes are an integral part of the financial statements

As per my report of even date

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

Darryl Frank
Partner
Membership No. 104096

Panaji, Goa, dated: June 30, 2021

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

K. R. Naik
Executive Chairman
DIN: 00002013

K. G. Prabhu
Chief Financial Officer

Verna-Goa, dated: June 30, 2021

K. M. Gaonkar
Director
DIN: 00002425

Urjita Damle
Company Secretary
ICSI Membership No.24654

Consolidated Statement of Profit and Loss for the year ended 31 March, 2021

(Amount in INR, unless otherwise stated)

Particulars	Note No.	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Revenue from operations			
Interest Income	23	50,267,039	63,300,500
Rental Income		5,653,327	5,647,965
Net gain on fair value changes	24	87,515,287	73,955,291
Revenue from contracts with customers	25	559,255,454	608,317,202
Total Revenue from operations		702,691,107	751,220,958
Other Income	26	26,158,541	5,801,604
Total Income		728,849,648	757,022,562
EXPENSES			
Finance costs	27	12,269,713	24,440,913
Cost of raw material consumed		67,358,919	61,908,871
Purchase of traded goods	28	268,275,317	340,469,704
Changes in inventories of finished goods, work-in-progress and traded goods	29	37,475,779	65,813,074
Employee benefits expenses	30	127,064,574	177,505,209
Depreciation and amortisation expense	31	27,799,139	30,170,218
Others expenses	32	97,673,097	161,922,592
Total Expenses		637,916,538	862,230,581
Profit / (loss) before exceptional items and tax		90,933,110	(105,208,019)
Exceptional items (Refer Note 10 (a))		-	42,477,982
Profit / (loss) before tax		90,933,110	(147,686,001)
Less: Tax Expense:			
- Current Tax		8,048,000	17,338,000
- Deferred Tax		(20,196,624)	(14,142,268)
- Earlier Year Tax Adjustments		792,900	(8,226,038)
Total Tax Expense	33	(11,355,724)	(5,030,306)
Profit / (Loss) for the year		102,288,834	(142,655,695)
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plan		1,621,023	(2,120,500)
Income tax relating to above		(353,371)	137,568
Subtotal (A)		1,267,652	(1,982,932)
B. Items that will be reclassified to profit or loss			
Net fair value gain/ (loss) on financial instruments		737,143	(3,370,404)
Income tax relating to above		(185,524)	848,263
Subtotal (B)		551,619	(2,522,141)
Other Comprehensive Income (A + B)		1,819,271	(4,505,073)
Total Comprehensive Income for the year		104,108,105	(147,160,768)
Profit / (Loss) for the year attributable to			
Equity holders of the parent		103,721,801	(139,755,862)
Non-controlling interest		(1,432,967)	(2,899,833)
Total comprehensive income for the year, net of tax, attributable to			
Equity holders of the parent		105,532,935	(144,260,935)
Non-controlling interest		(1,424,830)	(2,899,833)
Basic and diluted Earnings per share (Nominal value per share ₹2)	35	7.80	(8.95)

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

1-50

As per my report of even date

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

Darryl Frank
Partner
Membership No. 104096

Panaji, Goa, dated: June 30, 2021

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

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Verna-Goa, dated: June 30, 2021

K. M. Gaonkar
Director
DIN: 00002425

Urjita Damle
Company Secretary
ICSI Membership No.24654

Consolidated Cash Flow Statement for the year ended 31 March, 2021

(Amount in INR, unless otherwise stated)

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Cash flow from operating activities		
Net profit / (loss) before tax	90,933,110	(147,686,001)
Adjustments for:		
Depreciation and amortisation expense	27,799,139	30,170,218
Value of Building written off	-	42,477,982
(Profit) on Property, plant and equipment sold / written off (net)	(99,817)	(253,072)
EIR impact of security deposits and rent amortization	(243,240)	(314,724)
EIR impact of interest income on bonds	34,671	-
Interest on income tax refund	(1,225,611)	(366,837)
Bad Debts written off	1,634	122,004
Provision for doubtful debts made/(written back)	639,726	(2,627,344)
Net gain on fair value changes	(87,515,287)	(73,955,291)
Waiver on lease rental payment	(837,546)	-
Unrealised Foreign exchange difference (net)	(377,725)	394,276
Sundry balances written off / (back) (net)	108,392	285,838
Finance costs	12,269,713	24,440,913
Gain on derecognition of Right to use assets	(2,986,055)	(1,288,572)
Provision for warranty (net)	2,307,666	-
Statutory provision no longer required written back	(17,445,419)	-
Operating profit / (loss) before working capital changes	23,363,351	(128,600,610)
Changes in working capital		
(Increase) / Decrease in Investments	47,725,139	712,903,768
(Increase) / Decrease in Fixed deposits with Banks	(38,039,312)	38,247,441
(Increase) / Decrease in Inventories	29,238,660	70,787,582
(Increase) / Decrease in Trade and other receivables	(10,115,372)	69,882,021
(Increase) / Decrease in Other financial assets	3,444,696	(550,267)
(Increase) / Decrease in Other non-financial assets	3,053,649	3,747,283
Increase / (Decrease) in Trade payables	(31,118,684)	(28,094,671)
Increase / (Decrease) in Other financial liabilities	8,835,705	13,746,381
Increase / (Decrease) in Other non-financial liabilities	(5,285,235)	9,980,847
Increase / (Decrease) in provisions	42,034	(1,307,586)
Cash generated from operations	31,144,631	760,742,189
Income tax (paid)/ refund (net)	(536,230)	(17,552,664)
Net cash flows from operating activities (A)	30,608,401	743,189,525
Cash flow from Investing activities		
Purchase of property, plant and equipment and investment property	(1,129,316)	(168,739,854)
Proceeds from Sale of property, plant and equipment and intangible assets	99,817	295,697
Net cash flow (used in) investing activities (B)	(1,029,499)	(168,444,157)
Cash flow from Financing activities		
Buyback of Parent Company's equity shares	-	(474,500,000)
Tax on Buyback of Parent Company's equity shares	-	(106,076,367)
Proceeds from / (Repayment of) borrowings	(10,997,386)	25,591,775
Interest payments	(6,756,763)	(12,568,859)
Cash Payment for the principal portion of lease payments	(8,908,463)	(13,334,346)
Net cash flows (used in) financing activities (C)	(26,662,612)	(580,887,797)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	2,916,290	(6,142,429)
Cash and cash equivalents at the beginning of the year	2,508,857	8,643,459
Effect of exchange differences on restatement of foreign currency Cash and bank balance	5,864	7,827
Cash and cash equivalents at the end of the year	5,431,011	2,508,857
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	4,879,179	2,162,363
In Exchange Earners Foreign Currency (EEFC) account	168,389	-
Cash on hand	383,436	346,494
Total cash and cash equivalents at end of the year	5,431,004	2,508,857
Non Cash Movement in Financing Activity		
Borrowings (including current maturities of long term Debt)	2,585,729	3,733,376
Lease Liabilities	(13,832,179)	13,654,300

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

As per my Report of Even date

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

Darryl Frank
Partner
Membership No. 104096

Panaji, Goa, dated: June 30, 2021

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

K. R. Naik
Executive Chairman
DIN: 00002013

K. G. Prabhu
Chief Financial Officer

K. M. Gaonkar
Director
DIN: 00002425

Ujjita Damle
Company Secretary
ICSI Membership No: 24654

Verna-Goa, dated: June 30, 2021

Consolidated Statement of Changes in Equity for the year ended 31 March, 2021

(Amount in INR, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening	26,600,000	33,900,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	(7,300,000)
Closing	26,600,000	26,600,000

OTHER EQUITY

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Equity attributable to shareholders of the Company	Non Controlling Interest
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account				
Balance at April 01, 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

Particulars	Capital Contribution	Reserves and Surplus				FVTOCI Reserve on defined benefit plans	FVTOCI Reserve on Financial Instruments	Equity attributable to shareholders of the Company	Non Controlling Interest
		Statutory Reserve	Capital Redemption Reserve	General Reserve	Surplus in statement of profit and loss account				
Balance at April 01, 2020	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
Profit for the year	-	-	-	-	103,713,664	-	-	103,721,801	(1,432,967)
Other comprehensive income / (loss)	-	-	-	-	-	1,267,652	551,619	1,811,134	8,137
Total Comprehensive Income for the year	-	-	-	-	103,713,664	1,267,652	551,619	105,532,935	(1,424,830)
Transfer to NBFC reserve fund	-	10,039,098	-	-	(10,039,098)	-	-	-	-
Balance at 31 March, 2021	9,294,580	32,043,025	33,409,700	556,720,271	1,276,500,171	(927,844)	227,273	1,907,267,176	197,968

Notes forming part of the consolidated financial statements for the year ended 31 March, 2021

(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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

The financial statements are presented in Indian Rupees (INR) 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. Cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date are shown under capital work-in-progress.

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

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

Depreciation methods, estimated useful lives

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

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

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 certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

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

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

Depreciation on derecognition of an asset from property plant and equipment is provided up to the date preceding the date of derecognition. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

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

2.4 Investment properties

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

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

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

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

2.5 Intangible Assets

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

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

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

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

2.6 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.7 Fair value measurement

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

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

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

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

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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

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

2.8 Revenue Recognition

(a) Interest income

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.

2.9 Taxes

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

(a) Current income tax

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

(b) Deferred tax

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

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

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

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

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

2.10 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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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

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

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

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

Group as a lessor

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

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

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

Variable lease payments based on an index or a rate: Variable lease payments based on an index or a rate (for example, linked to a consumer price index, a benchmark interest rate or a market rental rate) are part of the lease liability. From the perspective of the lessee, these payments are unavoidable, because any uncertainty relates only to the measurement of the liability but not to its existence. Variable lease payments based on an index or a rate are initially measured using the index or the rate at the commencement date (instead of forward rates/indices). This means that an entity does not forecast future changes of the index/rate; these changes are taken into account at the point in time in which lease payments change. However, based on management's estimates that lease payment increases 10% after a period of a period of three years. Therefore, based on management judgement, estimates and conservative approach it is estimated, lease liability has been calculated based on these estimated cash flows.

Operating leases

As a lessee:

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

As a lessor:

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

2.11 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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

2.12 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.

2.13 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.

2.14 Financial instruments

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

Investments and financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

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

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

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

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

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

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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

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

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

(c) Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

(iii) Derecognition

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

(d) Financial Guarantee Contracts

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

(e) Offsetting financial instruments

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

2.15 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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

(b) long-term employee benefit obligations

(i) Defined contribution plan

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

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

(ii) Defined benefit plans

Gratuity:

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

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

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

(c) Other Long Term Employee Benefits:

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

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

2.16 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.

2.17 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."

2.18 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.

2.19 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.

2.20 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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

3 A. Significant accounting judgments, estimates and assumptions

In the preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 are as below :

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

Property, plant and equipment, Investment Property and other intangible assets represent a significant proportion of the assets of the Group.

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

(b) Fair value measurements and valuation processes

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

(c) Actuarial Valuation

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

(d) Impairment of non-financial assets

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

(e) Effective Interest Rate (EIR) method

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

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

(f) Impairment of financial asset

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

3 B. 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 April 01, 2021.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 4: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash on hand	383,436	346,494
Balances with banks		
On current accounts	4,879,179	2,162,363
In Exchange Earners Foreign Currency (EEFC) account	168,389	-
Total	5,431,004	2,508,857

NOTE 5: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unpaid dividend accounts	703,766	862,974
In Fixed deposit with maturity for more than 12 months*	96,181,175	59,121,563
Accrued interest on deposit	3,409,856	2,272,336
Total	100,294,797	62,256,873

*1. Includes ₹71,61,000/- (previous year ₹25,00,000/-) held as margin money against bank guarantee.

2. Includes INR 3,30,00,000/- (previous year NIL) held against corporate guarantee to bank for credit facilities

NOTE 6: TRADE RECEIVABLES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	87,659,590	78,440,808
Receivables considered doubtful - Unsecured	1,822,233	1,182,507
Less : Provision for doubtful debts	(1,822,233)	(1,182,507)
	87,659,590	78,440,808
Others Receivables		
Considered good- From Others	1,211,852	896,204
Total	88,871,442	79,337,012

NOTE 7: OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Security Deposits	3,650,738	6,501,723
Less: Provision for Security deposits	(798,635)	(798,635)
	2,852,103	5,703,088
Advance to employees	863,882	709,874
Other receivables	-	-
Total	3,715,985	6,412,962

NOTE 8: TAX ASSETS (NET)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Advance payment of taxes and tax deducted at source (net of provisions for taxation)	5,276,658	12,355,700
Total	5,276,658	12,355,700

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 9: INVESTMENTS

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Amount			Amount		
	Land	Building	Total	Land	Building	Total
Gross Block						
Opening balance of gross carrying amount	70,834,247	49,222,345	120,056,592	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	70,834,247	49,222,345	120,056,592
Accumulated amortization and impairment, if any						
Opening accumulated depreciation	1,334,607	4,960,480	6,295,087	470,249	4,108,584	4,578,833
Charge for the year	884,468	1,565,473	2,449,941	864,358	851,896	1,716,254
Deduction/ other adjustments	-	-	-	-	-	-
Closing accumulated depreciation	2,219,075	6,525,953	8,745,028	1,334,607	4,960,480	6,295,087
Net Block	68,615,172	42,696,392	111,311,564	69,499,640	44,261,865	113,761,505

Note:

- (a) Comprises asset given on operating lease - gross value - on 31 March, 2021: INR 12,00,56,592/- (31 March, 2020: INR 12,00,56,592/-), - written down value on 31 March, 2021: INR 11,13,11,564/- (31 March, 2020: INR 11,37,61,505/-).
- (b) INR 36,19,722/- (Previous year INR 36,43,329/-) has been recognised as rental income from the Investment Properties given on operating lease, in the Statement of Profit and Loss.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Land-Freehold	23,628,792	-	-	23,628,792	8,791,000	-	-	8,791,000	14,837,792	14,837,792
Buildings-Own Use	184,339,597	-	-	184,339,597	81,505,935	4,798,909	-	86,304,844	98,034,753	102,833,662
Plant and equipment	182,158,952	22,500	-	182,181,452	122,450,527	9,049,965	-	131,500,492	50,680,960	59,708,425
Furniture and fixture	29,893,378	-	-	29,893,378	29,445,599	118,995	-	29,564,594	328,784	447,779
Vehicles	3,392,640	-	591,190	2,801,450	1,837,212	521,051	591,190	1,767,073	1,034,377	1,555,428
Office equipment	14,224,744	116,350	-	14,341,094	13,923,634	122,779	-	14,046,413	294,681	301,110
Electrical installations	41,616,304	39,302	-	41,655,606	40,644,695	142,266	-	40,786,961	868,645	971,609
Air conditioners	35,596,507	152,363	-	35,748,870	33,152,191	585,354	-	33,737,545	2,011,325	2,444,316
Computers	36,245,465	-	12,592,890	23,652,575	35,355,698	586,593	12,592,890	23,349,401	303,174	889,767
Right of use assets	50,743,390	5,646,892	38,388,465	18,001,817	15,405,938	7,695,983	19,302,683	3,799,238	14,202,579	35,337,452
Total	601,839,769	5,977,407	51,572,545	556,244,631	382,512,429	23,621,895	32,486,763	373,647,561	182,597,070	219,327,340

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2020	As at 01 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

Footnote:

- (a) During the previous year the Board of Directors of the Holding Company at its meeting held on February 11, 2020 had approved a proposal for re-development of its own building at Mumbai, which required demolition of the existing building, and hence its written down value of ₹4,24,77,982/- had been written off and disclosed as Exceptional Items for the year ended 31 March, 2020.

NOTE 11: INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 01 April, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Computer Software-Acquired	37,350,362	-	19,716,767	17,633,595	35,783,946	972,714	19,716,767	17,039,893	593,702	1,566,416
Technical know-how	3,775,000	-	-	3,775,000	1,910,240	754,586	-	2,664,826	1,110,174	1,864,760
Total	41,125,362	-	19,716,767	21,408,595	37,694,186	1,727,300	19,716,767	19,704,719	1,703,876	3,431,176

Particulars	Gross Block				Depreciation				Net block	
	As at 01 April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2020	As at 01 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

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 12: INVESTMENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investments measured at amortised cost		
Debt securities	419,175,264	343,482,865
Fixed Deposits	41,714,417	-
Investments measured at Fair Value through Profit or Loss		
Mutual funds	1,189,950,598	1,085,601,572
Investments measured at Fair Value through Other Comprehensive Income		
Debt securities	4,930,000	186,193,217
Total - Gross (A)	1,655,770,279	1,615,277,654
Less: Allowance for Impairment loss (B)	(4,930,000)	(4,930,000)
Total - Net (A)-(B)	1,650,840,279	1,610,347,654
Investments outside India	-	-
Investments in India	1,650,840,279	1,610,347,654

Details of investments

Non Current Investments:

Particulars	Face Value	Nos		Amount	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
1. Investments measured at Amortised Cost					
Investments in bonds (Unquoted):					
Cholamandalam Perp NCD Series PDI 10 12.90%	500,000	40	40	24,158,000	24,179,205
Tata Power Company Limited 2072 - NCD 10.75%	1,000,000	55	55	59,000,993	59,017,192
Tata Steel Limited - NCD Perpetual 11.50%	1,000,000	30	30	32,985,288	32,994,740
Canara Bank BD Perpetual - 9.55%	1,000,000	10	10	10,058,357	10,058,357
ICICI BANK AT1 - BD 9.2%	1,000,000	50	50	50,184,088	50,184,088
Cholamandalam Investment and Finance Company Limited - NCD 8.80%	1,000,000	30	30	32,090,301	32,097,534
Mahindra Rural housing Finance Ltd 2017 - NCD 8.50%	1,000,000	30	30	32,094,041	32,101,027
HDFC Bank Limited Perpetual - BD 8.85%	1,000,000	20	20	21,614,329	21,614,329
Tata Motors Finance Limited Perpetual NCD -11.10%	1,000,000	30	30	34,291,767	34,282,644
Tata Capital Financial Services Ltd 8.70%	1,000	20,000	20,000	20,877,151	20,886,685
Bajaj Finance Ltd 2027 - NCD 8.15%	1,000,000	5	5	5,062,836	5,061,719
Tata Capital Financial Services Limited 2022 - NCD 8.45%	1,000	20,000	20,000	21,000,739	21,005,345
L&T Infrastructure Finance Company Limited - NCD 7.65%	2,500,000	12	-	31,185,295	-
L&T Infrastructure Finance Company Limited - NCD 8.81%	2,500,000	5	-	13,636,216	-
UP Power Corporation Limited - NCD 10.15%	1,000,000	10	-	10,290,116	-
North Eastern Electric Power Corporation Limited - NCD 7.68%	1,000,000	20	-	20,645,747	-
				419,175,264	343,482,865
Fixed Deposits (Unquoted)					
Fixed Deposit with Bajaj Finance Limited	20,000,000	1		20,864,177	-
Fixed Deposit with HDFC Limited	20,000,000	1		20,850,240	-
				41,714,417	-

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

Non Current Investments (contd.):

Particulars	Face Value	Nos		Amount	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
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	-	12,029,924
HDFC Liquid Fund - Direct Plan - Growth	1,000	5,710.712	-	23,102,810	-
HDFC Corporate Bond Fund - Direct Plan - Growth	10	3,185,100.662	-	80,211,983	-
HDFC Corporate Bond Fund - Regular Plan - Growth	10	1,727,459.971	-	43,061,949	-
ICICI Mutual Fund					
ICICI Prudential Balanced Advantage Fund - Growth	10	-	2,378,364.858	-	72,706,614
ICICI Prudential Banking & PSU Debt Fund - Growth	10	2,125,581.217	1,036,185.396	53,099,995	24,000,437
ICICI Prudential Corporate Bond Fund - Growth	10	2,435,703.391	-	55,261,239	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	493,524.038	-	11,601,122	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	10	1,169,453.705	-	27,489,997	-
ICICI Prudential Short Term Fund - Growth Option	10	303,311.772	-	13,910,848	-
ICICI Prudential Overnight Fund - Direct Plan - Growth	100	539,493.974	-	59,873,850	-
Kotak Mahindra Mutual Fund					
Kotak Bond Fund Short Term - Growth - Regular Plan	10	1,504,985.518	-	61,485,882	-
Birla Sun Life Mutual Fund					
Birla Sun Life Banking & PSU DEBT Fund -Gr -Regular Plan	10	307,406.537	307,406.537	87,070,596	80,501,410
Birla Sun life Floating Rate Fund -Growth -Regular Plan	10	319,542.346	319,542.346	84,939,436	79,304,690
SBI Mutual fund					
SBI Short Term Debt Fund-Regular Plan-Growth	10	4,077,363.452	1,741,936.399	102,024,604	40,617,428
SBI Magnum Ultra Short Duration Fund Regular Growth	10	-	12,340.959	-	54,895,232
Franklin Templeton Mutual Fund					
Franklin India Ultra Short Bond Fund - Super Institutional Plan	10	-	2,396,689.196	-	65,922,614
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	20,049.301	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	21,347,291	20,429,097
Invesco India Short Term Fund - Direct Plan Growth (formerly known as Religare Mutual Fund Short Term Fund-Direct Plan Growth)	10	7,725.541	812.129	23,392,732	2,282,224
Invesco India Treasury Advantage Fund - Growth	10	4,359.096	4,359.096	12,926,539	12,161,866

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

Non Current Investments (contd.):

Particulars	Face Value	Nos		Amount	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
L & T Mutual Fund					
L&T Low Duration Fund - Direct Plan - Growth	10	-	2,331,343.358	-	50,174,705
L & T Triple Ace Bond Fund - Direct Plan-Growth	10	1,009,526.058	748,456.718	60,207,226	41,364,733
L&T Short Term Bond Fund - Direct Plan - Growth	10	4,460,579.103	-	96,572,430	-
IDFC Mutual Fund					
IDFC Corporate Bond Fund - Direct Plan - Growth	10	8,172,767.048	8,172,767.048	124,779,355	114,113,077
IDFC Banking & PSU Debt Fund - Direct Plan - Growth	10	2,090,144.455	744,379.932	40,842,468	13,372,115
IDFC Banking & PSU Debt Fund - Regular Plan - Growth	10	2,277,497.963	2,277,497.963	43,806,990	40,409,874
IDFC Bond Fund - Short Term Plan - Growth	10	1,117,092.905	-	52,349,431	-
Mahindra Mutual Fund					
Mahindra Liquid Fund- Direct -Growth	10	-	5,374.192	-	6,925,624
Mirae Mutual Fund					
Mirae Asset Cash Management Fund - Direct Plan - Growth	10	-	4,875.248	-	10,211,799
Mirae Asset Ultra Short Duration Fund Direct Growth Growth	1,000	10,408.437		10,591,825	
LIC Mutual Fund					
LIC Mutual Fund Saving Fund - Direct Plan - Growth	10	-	2,498,222.036	-	76,921,006
				1,189,950,598	1,085,601,572
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	-	58,034,776
LIC Housing Finance Limited 2020 - NCD 8.95%	1,000,000	-	10	-	10,594,105
IDFC Bank Ltd 2020 - NCD 8.64%	1,000,000	-	17	-	18,410,830
Can Fin Home Finance 2020 7.68%	1,000,000	-	14	-	13,752,810
HDFC Ltd - NCD 10.98%	10,000,000	-	5	-	55,803,101
Bajaj Finance Ltd 01/06/2020 - NCD 9.5%	1,000,000	-	5	-	5,417,595
				-	162,013,217
Preference Shares (Unquoted)					
L & T Finance Holding Ltd.- Preference Shares - 8.15%	100	-	200,000	-	19,250,000
Infrastructure Leasing and Financial Services Limited - Preference Shares - 16.46%	7,500	340	340	4,930,000	4,930,000
Total - Gross				4,930,000	24,180,000
Less: Allowance for Impairment loss				(4,930,000)	(4,930,000)
Total - Net				-	19,250,000
Total Investments- Gross				1,655,770,279	1,615,277,654
Total Impairment				(4,930,000)	(4,930,000)
Total Investments - Net				1,650,840,279	1,610,347,654

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 13: INVENTORIES (AT COST OR NET REALISABLE VALUE)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Raw materials and components (including Goods-in-transit INR 1,31,607/- (As at 31 March, 2020 INR 34,56,522/-))	24,445,924	16,439,521
Work-in-progress	84,343	10,588,780
Finished goods	17,122	2,305
Traded goods (including Goods-in-transit INR 81,65,527/- (As at 31 March, 2020 INR 2,05,73,143/-))	43,518,468	70,504,627
Stores, spares and packing materials	915,034	684,318
Total	68,980,891	98,219,551

NOTE 14: OTHER NON FINANCIAL ASSETS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Advance to vendor	8,882,038	6,776,401
Balance with government authorities	45,082,547	50,310,743
Surplus in Gratuity fund (funded) (Refer Note 38)	981,543	-
Prepaid expenses	2,237,230	3,149,880
Total	57,183,358	60,237,024

NOTE 15: TRADE PAYABLES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Total outstanding dues of micro, small and medium enterprises (refer foot note below)	362,323	150,202
Total outstanding dues of creditors other than micro, small and medium enterprises	79,082,084	110,615,940
Total	79,444,407	110,766,142

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, 2021	As at 31 March, 2020
Outstanding principal amount and interest as on 31st March.		
- Principal Amount	362,323	150,202
- Interest due thereon	3,589	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	1,226
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	5,362	4,778
The amount of interest accrued and remaining unpaid at the end of each accounting year	30,386	21,435
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 16: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Borrowings measured at Amortised Cost		
Secured		
Bank Overdraft	15,696,925	39,148,673
Term Loan	11,212,169	-
Unsecured		
Loans from director	188,308,911	184,480,989
Lease liabilities	20,994,613	43,735,255
Total	236,212,618	267,364,917
Borrowings in India	236,212,618	267,364,917
Borrowings outside India	-	-
Total	236,212,618	267,364,917

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 and Bank Guarantee from Smartlink Holdings Limited (Holding Company).

Unsecured Loan

Loan from Director taken for a tenure of 365 days.

NOTE 17: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deposits	2,385,976	4,423,111
Unpaid dividend [#]	703,766	862,974
Interest accrued on delayed payment to MSME (Refer Note 15)	30,386	21,435
Employee Payable	24,797,725	13,831,223
Asset Retirement Obligation	730,358	673,763
Total	28,648,211	19,812,506

[#] During the year ₹1,59,208/- (Previous year ₹2,27,230/-) was transferred to the Investor Protection and Education Fund.

NOTE 18: PROVISIONS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for gratuity (funded) (Refer note 38)	1,735,103	3,138,056
Provision for leave encashment (unfunded)	2,662,256	2,838,292
Total	4,397,359	5,976,348

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 19: OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision of GST for Inventory held in trust	-	17,284,143
Statutory dues payable	1,319,644	1,768,603
Revenue received in advance	-	5,712
Advances from clients/customers	3,170,937	8,121,950
Advance rent received	21,105	61,932
Provision for Warranty (Refer Foot Note a)	2,307,666	-
Total	6,819,352	27,242,340

Foot Note:-

a) Provision for warranty

Particulars	As at 31 March, 2021	As at 31 March, 2020
At the beginning of the period	-	-
Add: Additional provision created	2,307,666	-
Less: Provision written back	-	-
As at the end of the period	2,307,666	-

Warranty Provision is made on the cost of material estimated to be incurred on servicing / replacement of active products in future considering the warranty period of 3-5 year. The provision is determined taking into consideration the historical data of cost incurred on servicing / rectifying product failures.

NOTE 20: EQUITY SHARE CAPITAL

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Authorized		
3,50,00,000 Equity Shares of ₹2/- each	70,000,000	70,000,000
	70,000,000	70,000,000
Issued, Subscribed and paid up		
1,33,00,000 (Previous year 1,69,50,000) Equity Shares of ₹2/- each, fully paid-up	26,600,000	33,900,000
Less: NIL (Previous Year: 36,50,000) Equity Shares purchased under Buy-back scheme	-	7,300,000
Total	26,600,000	26,600,000

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Outstanding at the beginning of the year	13,300,000	16,950,000
Add: Issued during the year - Bonus	-	-
Less: Bought back during the year	-	(3,650,000)
Outstanding at the end of the year	13,300,000	13,300,000

The Board of Directors of the Company at its meeting held on June 14, 2019 and July 31, 2019 and the Shareholders of the Company through postal ballot on July 30, 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 aggregate amount not exceeding ₹47,45,00,000/- from the existing shareholders of the Company under Tender Offer Mechanism. The offer was kept open from October 18, 2019 to November 04, 2019. The Company had bought back 36,50,000 Equity Shares and the shares were extinguished on November 19, 2019.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 20: EQUITY SHARE CAPITAL (CONTD.)

(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, 2021		As at 31 March, 2020	
	No of shares	% of holding	No of shares	% of holding
Mr. Kamalaksha R. Naik	6,650,000	50.00%	6,650,000	50.00%
Ms. Arati K. Naik	1,330,000	10.00%	1,330,000	10.00%
Mrs. Lakshana A. Sharma	1,130,500	8.50%	1,130,500	8.50%
Mrs. Sudha K. Naik	665,000	5.00%	665,000	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 outstanding
31.03.2021	-	13,300,000
31.03.2020	3,650,000	13,300,000
31.03.2019	5,600,000	16,950,000
31.03.2018	-	22,550,000
31.03.2017	7,454,850	22,550,000

NOTE 21: OTHER EQUITY

Particulars	As at 31 March, 2021	As at 31 March, 2020
General Reserve	556,720,271	556,720,271
Capital Redemption Reserve	33,409,700	33,409,700
Capital contribution	9,294,580	9,294,580
FVTOCI Reserve on financial instruments	227,273	(324,346)
FVTOCI Reserve on defined benefit plans	(927,844)	(2,195,496)
Statutory Reserve	32,043,025	22,003,927
Surplus in Statement of Profit & Loss	1,276,500,171	1,182,825,605
Total	1,907,267,176	1,801,734,241

(A) General Reserve (GR)*

Particulars	As at 31 March, 2021	As at 31 March, 2020
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

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

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 21: OTHER EQUITY (CONTD.)

(B) Capital Redemption Reserve*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	33,409,700	26,109,700
Add: Nil (Previous year 36,50,000) of ₹2/- each purchased under buyback scheme	-	7,300,000
Closing balance	33,409,700	33,409,700

* 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.

(C) Capital Contribution*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	9,294,580	5,669,165
Add / (Less): Change during the year	-	3,625,415
Closing balance	9,294,580	9,294,580

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

(D) FVTOCI Reserve on Financial Instruments*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	(324,346)	2,197,795
Net fair value gain/ (loss) on financial instruments	551,619	(2,522,141)
Closing balance	227,273	(324,346)

* Represents changes in the fair value of certain investments in debt securities. These changes are accumulated within the FVTOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant debt securities are derecognised.

(E) FVTOCI Reserve on defined benefit plans*

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	(2,195,496)	(212,564)
Net fair value gain/ (loss) on financial instruments	1,267,652	(1,982,932)
Closing balance	(927,844)	(2,195,496)

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

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	22,003,927	22,003,927
Add / (Less): Transfer from Surplus in Statement of Profit and loss	10,039,098	-
Closing balance	32,043,025	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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 21: OTHER EQUITY (CONTD.)

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	1,182,825,605	1,903,157,834
Add : Net profit / (loss) for the year	102,288,834	(142,655,695)
Amount available for appropriations	1,285,114,439	1,760,502,139
Less : Appropriations		
Less: Transferred to NBFC reserve fund	(10,039,098)	-
Less: Paid to Shareholders for purchase of shares under buyback scheme	-	(474,500,000)
Less: Buyback Tax	-	(106,076,367)
Add: Share in Loss attributable to Minority Interest	1,424,830	2,899,833
Closing balance	1,276,500,171	1,182,825,605

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

NOTE 22: NON-CONTROLLING INTEREST

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening	1,622,798	4,522,631
Add : Loss for the period	(1,424,830)	(2,899,833)
Total	197,968	1,622,798

NOTE 23: INTEREST INCOME

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
On financial assets measured at FVTOCI		
Interest on bonds	8,146,924	20,779,118
Interest on preference shares	585,985	2,049,866
	8,732,909	22,828,984
On Financial Assets measured at Amortised Cost		
Interest on deposits with banks	5,182,154	7,051,930
Interest on deposits with financial institutions	1,853,424	1,582,935
Interest Income on bonds	34,198,181	31,507,461
Interest Income on security deposits	243,240	314,724
Interest Income - others	57,131	14,466
Total	50,267,039	63,300,500

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
On financial instruments designated at fair value through profit or loss	87,515,287	73,955,291
Total	87,515,287	73,955,291
Fair Value changes:		
- Realised	52,724,037	113,853,261
- Unrealised	34,791,250	(39,897,970)
Total	87,515,287	73,955,291

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

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 25: REVENUE FROM CONTRACTS WITH CUSTOMER

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Sale of goods	503,074,951	565,281,524
Sale of services	48,790,402	42,053,681
Royalty Income	7,279,455	-
Other Operating Activities		
Recovery of trade receivables earlier written off	1,133	594,184
Process Scrap income	109,513	387,813
Total	559,255,454	608,317,202

NOTE 26: OTHER INCOME

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Foreign exchange gain / (loss) (net)	2,837,028	-
Interest on income tax refund	1,225,611	366,837
Provision for doubtful trade receivable written back	-	2,627,344
Miscellaneous Income	557,573	1,265,779
Liabilities no longer required written back	17,445,419	-
Gain on derecognition of RoU assets	2,986,055	1,288,572
Gain on sale of property, plant and equipment	99,817	253,072
Waiver on lease rental payment	837,546	-
Scrap Income	169,492	-
Total	26,158,541	5,801,604

NOTE 27: FINANCE COSTS

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Interest on bank overdraft account	3,303,585	3,688,816
Interest on Term Loan	387,507	-
Interest on deposits	42,867	141,545
Interest on delayed payments to MSME Vendors	8,951	4,778
Interest on others	446,995	1,593,275
Interest on loan from directors	5,152,587	14,499,236
Interest on borrowings	2,927,221	4,513,263
Total	12,269,713	24,440,913

NOTE 28: PURCHASE OF TRADED GOODS

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Networking products	268,275,317	340,469,704
Total	268,275,317	340,469,704

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Inventories at the beginning 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
Less: Inventories at the end of the year		
Finished goods		
- Manufactured	17,122	2,305
- Traded	43,518,468	70,504,627
Work-in-progress	84,343	10,588,780
	43,619,933	81,095,712
Changes in inventories of finished goods, work-in-progress and traded goods	37,475,779	65,813,074

NOTE 30: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Salaries and wages	117,264,988	164,680,203
Contribution to provident and other funds (Refer Note 38)	4,667,995	5,424,243
Staff welfare expenses	3,495,064	5,911,808
Gratuity expenses (Refer Note 38)	1,636,527	1,488,955
Total	127,064,574	177,505,209

Note:

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

NOTE 31: DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Depreciation on property, plant and equipment	23,621,897	25,372,029
Amortization on Intangible Assets	1,727,301	3,081,935
Depreciation on Investment Property	2,449,941	1,716,254
Total	27,799,139	30,170,218

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 32: OTHER EXPENSES

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Lease Rent and License Fees	901,146	1,467,771
Repairs and maintenance		
- Machinery	97,030	496,805
- Others	3,004,212	4,572,466
Communication Expenses	2,408,745	3,470,122
Printing and stationery Expenses	272,719	937,903
Advertisement and publicity Expenses	10,475,215	13,318,834
Director's fees	3,412,795	5,004,560
Auditor's fees and Expenses (Refer footnote 1)	2,145,112	1,914,267
Legal and Professional charges (Refer footnote 1)	27,759,668	35,927,314
Insurance charges	5,512,080	4,516,611
Consumption of store and spares	1,072,751	1,302,407
Power and fuel	8,865,760	10,770,137
Rates and taxes	1,331,728	3,866,587
Servicing Expenses	2,621,021	7,796,174
Computer consumables, software and maintenance charges	5,474,219	4,137,645
Office Expenses	2,018,845	2,695,600
Bank charges and commission	1,321,641	819,925
Freight Outward	7,098,655	13,871,893
Foreign exchange gain / (loss) (net)	-	62,617
Travel and conveyance expenses	3,143,776	12,631,659
Excise Duty paid (Refer footnote 2)	-	18,449,072
Application, Registration & Filing Fees	1,708,066	2,540,022
Bad debts written off	1,634	122,004
Expected Credit Loss on trade receivables for time value of money	639,726	-
Expenditure on Corporate Social responsibility (Refer Note 46)	2,000,000	5,374,560
Sundry Balance written off	108,392	285,838
Miscellaneous Expense	4,278,161	5,569,799
Total	97,673,097	161,922,592

Notes:

1. Payment to Auditors

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Charged to Auditor's fees and expenses		
Statutory audit fees including GST expensed	2,081,000	1,781,000
Reimbursement of expenses including GST expensed	64,112	133,267
	2,145,112	1,914,267
Charged to Legal and Professional fees		
Other certification fees including GST expensed	65,400	196,200
Total	2,210,512	2,110,467

2. The company has provided a one-time expense of ₹1,84,49,072/- for the year ended 31 March, 2020 against various disputed liabilities under Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019 announced by the Government of India. The amount has subsequently been settled.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 33: INCOME TAX

(A) Deferred tax relates to the following:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deferred tax assets		
On account of timing difference in retiral and other employee benefits	1,137,182	348,877
on account of fair value of financial assets designated at FVTOCI	1,411,598	1,608,776
Provision for doubtful debts / advances	659,619	201,000
On disallowance u/s 40a of Income Tax Act, 1961	1,171,339	70,082
On business losses	17,184,345	
On provision for slow moving stock	5,428,580	
On VRS Compensation	2,554,797	
Others	988,748	-
	30,536,208	2,228,735
Deferred tax liabilities		
On property, plant and equipment	13,004,288	13,711,542
on account of fair value of financial assets designated at FVTPL	25,718,477	16,365,213
Other temporary differences	3,734	-
	38,726,499	30,076,755
Deferred tax liability (Net)	(8,190,291)	(27,848,020)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Opening balance as of 1 April	(27,848,020)	(42,976,119)
Tax assets / (liabilities) recognized in Statement of Profit and Loss	20,196,624	14,142,268
Tax assets / (liabilities) recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	(353,371)	137,568
On preference shares and bonds	(185,524)	848,263
Closing balance as at 31 March	(8,190,291)	(27,848,020)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Tax liability	-	(14,142,268)
Tax asset	20,196,624	-
Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss	20,196,624	(14,142,268)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
- Current tax	8,048,000	17,338,000
- Adjustments in respect of current income tax of previous year	792,900	(8,226,038)
- Deferred tax charge / (income)	(20,196,624)	(14,142,268)
Income tax expense reported in the statement of profit or loss	(11,355,724)	(5,030,306)

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 33: INCOME TAX (CONTD.)

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

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Net fair value (gain)/loss on debt securities	185,524	(848,263)
Net loss/(gain) on remeasurements of defined benefit plans	353,371	(137,568)
Income tax expense charged / (credit) to OCI	538,895	(985,831)

(F) Reconciliation of tax charge

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Profit before tax	90,933,110	(147,686,001)
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	22,886,045	(37,169,613)
Tax effects of:		
- Item not deductible for tax / (taxable)	(20,547,062)	13,679,560
- brought forward losses adjustments	(7,410,441)	-
- Income not chargeable to tax	-	(410,271)
- deferred tax assets on taxable business losses	(17,184,345)	-
Effect due to change in tax rate	-	(5,855,849)
Effect of unrecognized deferred tax assets (net)	10,107,179	32,951,905
Earlier year adjustment	792,900	(8,226,038)
Income tax expense	(11,355,724)	(5,030,306)

NOTE 34: 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.

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%

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 35: 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, 2021	For the Year Ended 31 March, 2020
Ordinary equity shareholders		
Profit / (Loss) attributable to ordinary equity holders	103,721,801	(139,755,862)
Weighted average number of equity shares	13,300,000	15,623,634
Face Value per share	2	2
Basic earnings per share (INR)	7.80	(8.95)
Diluted earnings per share (INR)	7.80	(8.95)

NOTE 36: CONTINGENT LIABILITIES

Particulars	As at 31 March, 2021	As at 31 March, 2020
Bank guarantees given in favour of Electricity Department - Government of Goa	7,161,000	2,500,000
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
Total	207,161,000	202,500,000

NOTE 37: CAPITAL AND OTHER COMMITMENTS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Estimated amount of contracts remaining to be executed on capital account	34,236,941	27,504,000
Non-cancellation lease liabilities (Refer Note 39)	95,978,653	122,821,978

NOTE 38: 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, 2021	For the Year Ended 31 March, 2020
Employers' Contribution to Provident Fund, Pension Scheme and Employee State Insurance (Refer note 30)	4,667,995	5,424,243

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFITS (CONTD.)

(B) Defined benefit plans

a) Gratuity payable to employees

Particulars	As at 31 March, 2021	As at 31 March, 2020
i) Actuarial assumptions		
Discount rate (per annum)		
- Smartlink Holdings Limited	6.70%	6.62%
- Digisol Systems Limited	6.75%	6.77%
- Synegra EMS Limited	6.71%	6.66%
- Telesmart SCS Limited	6.43%	6.53%
Rate of increase in Salary	5.00%	5.00%
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	11,258,963	14,431,170
Interest cost	738,801	1,084,782
Past service cost	-	-
Current service cost	1,474,994	1,413,847
Benefits paid	(441,822)	(7,395,103)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(864,867)	1,354,789
Actuarial (gain)/ loss on obligations - Due to experience	(942,623)	369,478
Present value of obligation at the end of the year	11,223,446	11,258,963
iii) Change in the fair value of plan assets:		
Opening fair value of plan assets	8,120,907	12,560,113
Adjustment to Opening Fair Value of Plan Asset	-	227,062
Expected return on plan assets	577,268	1,009,674
Contributions by employer	2,400,000	2,115,394
Benefits paid	(441,822)	(7,395,103)
Return on plan assets excluding interest income	(186,467)	(396,233)
Closing fair value of plan assets	10,469,886	8,120,907
iv) Expense recognized in the Statement of Profit and Loss		
Current service cost	1,474,994	1,413,847
Past service cost	-	-
Interest cost	161,533	75,108
Total expenses recognized in the Statement Profit and Loss*	1,636,527	1,488,955

* Included in Employee benefits expense (Refer Note 30).

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
v) Expense recognized in Other comprehensive income		
Actuarial (gain) / loss on Obligation for the period	(1,807,490)	1,724,267
Return on plan assets excluding interest income	186,467	396,233
Net actuarial (gains) / losses recognised in OCI	(1,621,023)	2,120,500

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFITS (CONTD.)

(B) Defined benefit plans (contd.)

Particulars	As at 31 March, 2021	As at 31 March, 2020
vi) Assets and liabilities recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	11,223,446	11,258,963
Fair Value of Plan Assets at the end of the year	10,469,886	8,120,907
Net asset / (liability) recognized in Balance Sheet*	(753,560)	(3,138,056)

*Included in provision for employee benefits (Refer note 14 and 18)

vii) Expected contribution to the fund in the next year INR 11,65,199/-

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

Impact on Present Value obligation	As at 31 March, 2021		As at 31 March, 2020	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
1% increase	9,841,539	12,418,830	9,763,136	12,494,915
1% decrease	12,413,523	9,817,270	12,596,376	9,795,347

ix) Maturity profile of defined benefit obligation

Years	As at 31 March, 2021	As at 31 March, 2020
Year 1	361,272	53,463
Year 2	195,550	367,897
Year 3	149,996	196,185
Year 4	150,178	149,867
Year 5	102,376	151,504
Year 6 to 10	5,040,399	4,991,242

NOTE 39: LEASES

(A) Operating leases where Group is a lessee:

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

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

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

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

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 39: LEASES (CONTD.)

Following are the changes in the carrying value of right of use assets for the year ended 31 March, 2021:

Particulars	Category of ROU Asset		Total
	Land & Buildings	Prepaid Rent	
Balance as on April 01, 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
Deletions	13,144,829	420,103	13,564,932
Balance as on 31 March, 2020	34,447,666	889,786	35,337,452
Additions	5,454,139	192,753	5,646,892
Depreciation	7,446,611	249,372	7,695,983
Deletions	18,445,237	640,545	19,085,782
Balance as on 31 March, 2021	14,009,957	192,622	14,202,579

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, 2021:

Particulars	Amount
Balance as on April 01, 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

Particulars	Amount
Balance as on April 01, 2020	43,735,255
Additions	5,454,139
Finance cost accrued during the period	2,927,221
Deletion	(21,375,993)
Payment of lease liabilities	(8,908,463)
Waiver of lease rental	(837,546)
Balance as on 31 March, 2021	20,994,613

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2021 on an undiscounted basis:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Less than one year	4,226,112	13,249,062
One to five years	8,498,183	26,318,558
More than five years	83,254,358	83,254,358
Total	95,978,653	122,821,978

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease rentals paid on short term leases for Current Year INR 6,89,050/- (Previous year INR 13,09,960/-)

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 39: 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 56,53,327/- for the year ended 31 March, 2021 (previous year INR 56,47,965/-).

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Within one year	2,894,500	18,905,664
After one year but not more than five years	-	15,441,102
More than five years	-	-

NOTE 40: 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)

Mr. K. G. Prabhu - Chief Financial Officer

Ms. Urjita Damle - Company Secretary

Relatives of key management personnel :

Ms. Arati K. Naik

Mrs. Sudha K. Naik

Mrs. Lakshana A. Sharma

Notes forming part of the consolidated 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	As at 31 March, 2021		As at 31 March, 2020	
	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	
Salary				
Ms Arati K Naik				
Short-term employee benefits	-	458,900	-	2,978,400
Post-employment benefits	-	3,600	-	21,600
Mr. Natarajan Sankara				
Short-term employee benefits	-	1,466,400	-	588,206
Post-employment benefits	-	21,600	-	5,400
Mr. K. G. Prabhu				
Short-term employee benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Ms. Urjita Damle				
Short-term employee benefits	-	1,092,552	-	1,259,746
Post-employment benefits	-	21,600	-	21,600
Director Sitting Fees				
Mr. Krishnand M. Gaonkar	-	655,000	-	1,060,000
Mr. Pankaj M. Baliga	-	455,000	-	910,000
Mr. Pradeep A. Rane	-	450,000	-	850,000
Mr. Bhanubhai R. Patel	-	650,000	-	950,000
Mr. Pradeep G. Pande	-	450,000	-	450,000
Mr. Nitin A. Kuncolienkar	-	250,000	-	150,000
Mr. Nataranjan Sankara	-	-	-	250,000
Mr. Ray Chang	-	150,000	-	100,000
Mr. Prabodh Vyas	-	200,000	-	-
Rent Expense				
Ms. Aarti K. Naik	-	240,000	-	240,000
Interest on Loan				
Ms. Kamalaksha R. Naik	-	5,152,587	-	14,499,236
Loan taken				
Ms. Kamalaksha R. Naik	-	20,000,000	-	60,000,000
Loan repaid				
Ms. Kamalaksha R. Naik	-	20,000,000	-	-
Consideration paid for Buyback of Shares				
Mr. Kamalaksha R. Naik	-	-	-	248,009,190
Mr. Kamalaksha R. Naik (HUF)	-	-	5,382,130	
Ms. Aarti K. Naik	-	-	-	49,480,080
Mrs. Sudha K. Naik	-	-	-	24,741,080
Mrs. Lakshana A. Sharma	-	-	-	40,373,320

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 39: RELATED PARTY DISCLOSURES (Contd.):

Balances due from and due to related parties

Particulars	As at 31 March, 2021	As at 31 March, 2020
Amount due to related party as on:		
Key Management Personnel		
Mr. Kamalaksha R Naik	188,308,911	184,480,991
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

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 41: 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, 2021	Year Ended 31 March, 2020
Segment Revenue (net):		
(a) Investment	149,340,940	151,213,909
(b) Networking Products	562,362,798	614,016,256
Total	711,703,738	765,230,165
Less: Inter-segment Revenue	(9,012,631)	(14,009,207)
Total Income from Operations (net)	702,691,107	751,220,958

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
Segment Profit / (Loss) before finance cost, tax and minority interest:		
(a) Investment	65,824,454	(11,303,294)
(b) Networking Products	22,051,735	(104,530,253)
Total	87,876,189	(115,833,547)
(Add)/ Less:- Other un-allocable expenditure net-off un-allocable income	(15,326,634)	7,411,541
Operating Profit / (Loss)	103,202,823	(123,245,088)
(Add) / Less:		
(i) Finance Costs (net)	12,269,713	24,440,913
(ii) Income Taxes	(11,355,724)	(5,030,306)
(iii) Share of loss attributable to Minority Interest.	(1,432,967)	(2,899,833)
Profit / (Loss) after finance cost, tax and minority interest	103,721,801	(139,755,862)

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 41: SEGMENT INFORMATION (CONTD.)

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
Capital Employed		
Segment Assets		
(a) Investment	1,970,737,233	1,905,261,200
(b) Networking Products	263,183,564	310,169,878
(c) Un-allocated	63,856,585	73,536,234
Total Assets	2,297,777,382	2,288,967,312
Less: Segment Liabilities		
(a) Investment	36,046,716	41,675,846
(b) Networking Products	316,385,490	384,200,322
(c) Un-allocated	11,280,032	33,134,105
Total Liabilities	363,712,238	459,010,273
Total Capital Employed	1,934,065,144	1,829,957,039

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
Capital expenditure		
Addition to fixed assets		
(a) Investment	6,637,357	142,063,274
(b) Networking Products	138,850	54,680,498
(c) Un-allocated	-	-
Total Assets	6,776,207	196,743,772
Depreciation and Amortisation		
(a) Investment	13,718,598	14,285,075
(b) Networking Products	14,080,541	15,885,143
(c) Un-allocated	-	-
Total	27,799,139	30,170,218
Material non cash expenditure other than Depreciation and amortisation		
(a) Investment	-	42,477,982
(b) Networking Products	3,057,418	802,118
(c) Un-allocated	-	-
Total	3,057,418	43,280,100

(B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Group is the geographical segment based on location of customers, which is as follows:

- i) Domestic
- ii) Export

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 41: SEGMENT INFORMATION (CONTD.)

Information about secondary segments

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
Revenue from customer		
- Domestic	610,108,893	698,935,238
- Export	92,582,214	52,652,557
Total	702,691,107	751,220,958
Segment Assets		
- Domestic	2,292,098,525	2,285,045,139
- Export	5,678,857	3,922,173
Total	2,297,777,382	2,288,967,312
Addition to fixed assets during the year		
- Domestic	6,776,207	196,743,772
- Export	-	-
Total	6,776,207	196,743,772

NOTE 42: 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.

NOTE 43: 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:

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 43: FAIR VALUE HIERARCHY (CONTD.)

Fair value measurement hierarchy of assets and liabilities

Particulars	Fair value hierarchy	As at 31 March, 2021	As at 31 March, 2020
FINANCIAL ASSETS			
Financial assets measured at amortized cost			
Investments in Debt securities	Level 3	419,175,264	343,482,865
Fixed Deposits	Level 3	41,714,417	-
Security Deposits	Level 3	2,852,103	5,703,088
Trade receivables	Level 3	88,871,442	79,337,012
Financial assets measured at Fair Value through Other Comprehensive Income			
Investments in Debt securities	Level 2	4,930,000	186,193,217
Financial assets measured at fair value through profit or loss			
Investments in mutual funds	Level 2	1,189,950,598	1,085,601,572
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost	Level 3	2,385,976	4,423,111
Lease Liabilities	Level 3	20,994,613	43,735,255
Asset retirement obligation	Level 3	730,358	673,763

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

NOTE 44: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risk interest rate risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Group's position with regards to interest income, treasury team manages the interest rate risk by diversifying its portfolio across tenures.

(ii) Price risk

The Group's exposure to securities arises from investments held by the Group and classified in the Balance Sheet as fair value through OCI.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the holding Company's functional currency).

(a) The Company's exposure to foreign currency risk at the end of the year is as follows:

Particulars	Currency	As at 31 March, 2021	As at 31 March, 2020
Trade Receivables	INR	5,678,857	3,922,172
	USD	77,691	51,839
Trade Payables	INR	31,026,562	26,315,689
	USD	424,353	347,723

(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.

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 44: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Impact of INR 1 strengthening - Decrease in Loss	346,662	295,884
Impact of INR 1 weakening - Increase in loss	346,662	295,884

(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 31 March, 2021 and 31 March, 2020 is the carrying amounts as mentioned in Note 6, 7, 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 45: 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 46:

As per provisions of section 135 of Companies Act 2013, the Parent Company was required to spend INR 18,88,710/- (31 March, 2020: INR 21,63,475/-) 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 20,00,000/- (31 March, 2020: INR 53,74,560) towards Corporate Social Responsibility activities as under:

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above		
- Installation of Networking products in various schools	-	844,010
- Contribution to Covid Relief Fund	-	500,000
- Contribution to Foundation's/Trust's	2,000,000	4,000,000
- Education purpose	-	30,550
Total	2,000,000	5,374,560

Notes forming part of the consolidated financial statements

(Amount in INR, unless otherwise stated)

NOTE 47:

Disclosure required under Schedule III of Companies Act, 2013.

Particulars	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)	31.03.2021	100.00	1,933,867,176	100.00	103,721,801	100.00	105,532,935
	31.03.2020	100.00	1,828,334,241	100.00	(139,755,862)	100.00	(144,260,935)
Parent							
Smartlink Holdings Limited	31.03.2021	104.35	2,018,072,099	48.40	50,195,491	48.75	51,441,376
	31.03.2020	102.64	1,876,538,869	94.04	(131,416,521)	93.14	(134,347,693)
Subsidiaries							
Digisol Systems Limited	31.03.2021	5.67	109,745,289	89.12	92,441,851	87.89	92,757,580
	31.03.2020	0.93	16,987,709	62.72	(87,649,124)	61.35	(88,524,496)
Synegra EMS Limited	31.03.2021	(4.14)	(80,096,589)	(31.78)	(32,959,791)	(31.03)	(32,742,816)
	31.03.2020	(2.59)	(47,353,773)	31.40	(43,890,277)	30.85	(44,500,963)
Telesmart SCS Limited	31.03.2021	(0.23)	(4,514,824)	(6.91)	(7,164,834)	(6.75)	(7,124,153)
	31.03.2020	0.14	2,609,328	10.31	(14,411,317)	10.05	(14,499,160)
Minority Interests in subsidiaries							
Telesmart SCS Limited	31.03.2021	0.01	197,968	(1.38)	(1,432,967)	(1.35)	(1,424,830)
	31.03.2020	(0.09)	(1,622,798)	2.07	(2,899,833)	2.01	(2,899,833)
Elimination and Adjustment due to Consolidation							
	31.03.2021	(5.66)	(109,536,767)	2.55	2,642,052	2.49	2,625,778
	31.03.2020	(1.03)	(18,825,094)	(100.54)	140,511,210	(97.40)	140,511,210
Total							
	31.03.2021	100.00	1,933,867,176	100.00	103,721,801	100.00	105,532,935
	31.03.2020	100.00	1,828,334,241	100.00	(139,755,862)	100.00	(144,260,935)

NOTE 48:

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

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 31 March, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

NOTE 49:

Pursuant to the requisite approvals by the Board of Directors, the Shareholders and the Securities and Exchange Board of India (SEBI), the Company bought back 33,25,000 Equity Shares (aggregating up to 25% of the paid-up equity share capital of the Company) at ₹95/- per share, aggregating to ₹31,58,75,000/-, and the corresponding shares have been extinguished on May 27, 2021. Subsequent to the buy back the paid up equity share capital of the Company has reduced from ₹2,66,00,000/- to ₹1,99,50,000/-.

NOTE 50:

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

As per my report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.: 105047W

Darryl Frank

Partner

Membership No. 104096

For and on behalf of the Board of Directors of

Smartlink Holdings Limited

CIN: L67100GA1993PLC001341

K. R. Naik

Executive Chairman

DIN: 00002013

K. G. Prabhu

Chief Financial Officer

K. M. Gaonkar

Director

DIN: 00002425

Urjita Damle

Company Secretary

ICSI Membership No: 24654

Panaji, Goa, dated: June 30, 2021

Verna-Goa, dated: June 30, 2021



Smartlink Holdings Ltd.

Corporate Office:

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Registered Office:

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