

INDEPENDENT AUDITOR'S REPORT

To the Members of **Digisol Systems Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Digisol Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Board of Directors for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(vi) below on reporting under Rule 11(g).



- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.
 - vi. **In regard to Dynamics 365 Accounting Software:**

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

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



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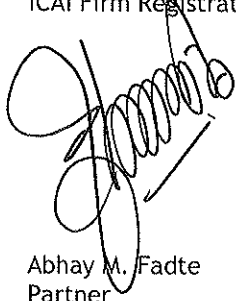
Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

In regard to ZING HR Software:

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

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Abhay M. Fadte
Partner
Membership No. 049939
UDIN: 24049939BKFFZS7048



Place: Mumbai.
Date: May 09, 2024

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Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF DIGISOL SYSTEMS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

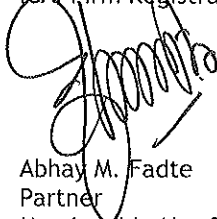
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 adequate 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

For M S K A & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W



Abhay M. Fadte
Partner

Membership No. 049939

UDIN: 24049939BKFFZS7048



Place: Mumbai.

Date: May 09, 2024

MSKA & Associates

Chartered Accountants

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DIGISOL SYSTEMS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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

- i. (a)A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- i (a)B The Company has maintained proper records showing full particulars of intangible assets.
- i. (b) Property, Plant and Equipment and right of use assets have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.
- i. (c) According to the information and explanations given to us, there are no immovable properties (other than lease hold building wherein the company is the lessee and the lease agreements are duly executed in the favour of the company), and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.
- i. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- i. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- ii. (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks and financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company.
- iii. According to the information and explanations provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- 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



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the products/ services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year, though there has been a slight delay in one case.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- vii. (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (Rs. In lakhs)	Amount Paid (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Customs Act, 1962	Differential Custom duty of 10% on value of Ethernet Switches imported at concessional rate of Basic Custom Duty.	38.99	-	Dec-18 to Sep-23	Joint Comm. Of Custom, Goa	None

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- ix. (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.
- ix. (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- ix. (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable to the Company.
- ix. (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.



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- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our 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 report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- xi. (b) Based on our 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act. Accordingly, provisions stated under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act, is not applicable to the Company.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, reporting under clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- xvi. (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core



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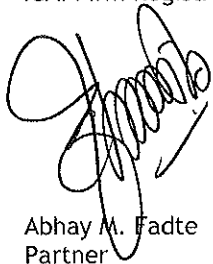
Investment Company as a part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 55 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Act, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Abhay M. Fadte
Partner

Membership No. 049939

UDIN: 24049939BKFFZS7048



Place: Mumbai

Date: May 09, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DIGISOL SYSTEMS LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Digisol Systems Limited on the Financial Statements for the year ended March 31, 2024]

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

We have audited the internal financial controls with reference to financial statements of Digisol Systems Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of 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 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 adequate internal financial controls with reference to 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 adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.



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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 financial statements.

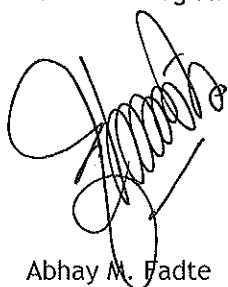
Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Abhay M. Fadte
Partner
Membership No. 049939
UDIN: 24049939BKFFZS7048

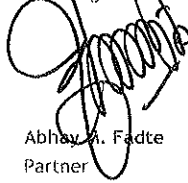


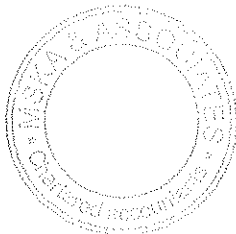
Place: Mumbai.
Date: May 09, 2024

DIGISOL SYSTEMS LIMITED
BALANCE SHEET AS AT MARCH 31, 2024
(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	351.98	456.27
Other intangible assets	6	-	-
Financial assets			
(i) Other financial assets	7	19.15	19.34
Deferred tax assets (net)	31	585.72	631.02
Non Current tax assets (net)	8	8.75	21.44
Other non-current assets	9	146.69	341.12
Total non-current assets		1,112.29	1,469.19
Current assets			
Inventories	10	1,959.13	1,802.96
Financial assets			
(i) Trade receivables	11	5,398.34	4,007.17
(ii) Cash and cash equivalents	12	0.36	5.39
(iii) Other financial assets	13	6.62	4.59
Other current assets	14	141.01	119.35
Total current assets		7,505.46	5,939.46
TOTAL ASSETS		8,617.75	7,408.65
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	429.60	410.00
Other equity	16	2,093.62	2,000.61
Total equity		2,523.22	2,410.61
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	38	220.75	308.76
Provisions	17	130.56	89.81
Total non-current liabilities		351.31	398.57
Current liabilities			
Financial liabilities			
(i) Borrowings	18	2,147.37	1,703.65
(ii) Lease Liabilities	38	88.01	79.25
(iii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		750.06	114.18
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,517.94	2,434.53
(iv) Other financial liabilities	20	176.73	215.81
Other current liabilities	21	39.06	34.50
Provisions	22	24.05	17.55
Total current liabilities		5,743.22	4,599.47
TOTAL LIABILITIES		6,094.53	4,998.04
TOTAL EQUITY AND LIABILITIES		8,617.75	7,408.65
See accompanying notes to the financial statements		1-63	
The accompanying notes are an integral part of the financial statements			


As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W


Abhay M. Fadte
Partner
Membership No. 049939



Place: Mumbai
Date : May 09, 2024

For and on behalf of the Board of Directors
DIGISOL SYSTEMS LIMITED
CIN : U31909GA2016PLC012970


K. R. Naik
Wholetime Director
DIN: 00002013

Place: Mumbai
Date : May 09, 2024


Arati Naik
Director
DIN: 06965985



Particulars	Notes	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
INCOME			
Revenue from operations	23	17,928.24	15,071.35
Other income	24	36.48	78.22
Total Income		17,964.72	15,149.57
EXPENSES			
Cost of raw materials consumed	25	438.02	567.59
Purchase of Stock-in-trade		15,226.99	12,868.89
Changes in inventories of traded goods, finished goods and work in progress.	26	(206.90)	(899.21)
Employee benefits expenses	27	1,150.07	1,049.37
Finance cost	28	188.52	86.09
Depreciation and amortisation expense	29	138.55	120.63
Other expenses	30	855.84	900.65
Total expenses		17,791.09	14,694.01
Profit / (Loss) before tax		173.63	455.56
Tax expense			
Current tax	31	-	-
Deferred tax	31	49.26	12.39
Total income tax expense		49.26	12.39
Profit / (Loss) for the year		124.37	443.17
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability		(15.72)	(26.47)
Income tax effect		3.96	6.66
Other comprehensive income / (loss) for the year, net of tax		(11.76)	(19.81)
Total comprehensive income for the year		112.61	423.36
Earnings per Equity Share			
Basic earnings / (loss) per Equity Share	33	0.29	1.08
Diluted earnings / (loss) per Equity Share	33	0.29	1.08
See accompanying notes to the financial statements	1-63		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

Abhay M. Fadte

Partner

Membership No. 049939

Place: Mumbai

Date : May 09, 2024



For and on behalf of the Board of Directors

DIGISOL SYSTEMS LIMITED

CIN : U31909GA2016PLC012970

K. R. Naik

Wholetime Director

DIN: 00002013

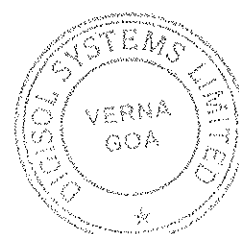
Place: Mumbai

Date : May 09, 2024

Arati Naik

Director

DIN: 06965985



DIGISOL SYSTEMS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024
(Amount in INR lakhs, unless otherwise stated)

(A) Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares (in lakhs)	Amount	No. of shares (in lakhs)	Amount
Equity share of Rs. 1/- each issued, subscribed and fully paid up				
Opening	410.00	410.00	410.00	410.00
Add: Issued during the year	19.60	19.60	-	-
Closing	429.60	429.60	410.00	410.00

(B) Other equity

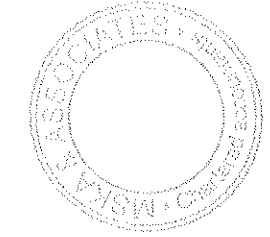
Particulars	Share Capital Pending allotment	Capital Contribution	Reserves and Surplus		Total
			Surplus / (Deficit) in the Statement of Profit and Loss	FVTOCI Reserve on Defined Benefits	
Balance as at April 01, 2022	-	170.65	284.31	(6.74)	1,412.43
Profit / (Loss) for the year	-	-	443.17	-	443.17
Other comprehensive income / (loss) for the year	-	-	-	(19.81)	(19.81)
Total comprehensive income / (loss) for the year	-	-	443.17	(19.81)	423.36
Addition during the year	164.82	-	-	-	164.82
Balance as at March 31, 2023	164.82	170.65	727.48	(26.55)	2,000.61

Particulars	Share Capital Pending allotment	Share Premium	Capital Contribution	Reserves and Surplus		Total
				Surplus / (Deficit) in the Statement of Profit and Loss	FVTOCI Reserve on Defined Benefits	
Balance as at April 01, 2023	164.82	-	170.65	727.48	(26.55)	2,000.61
Profit / (Loss) for the year	-	-	-	124.37	-	124.37
Other comprehensive income / (loss) for the year	-	-	-	-	(11.76)	(11.76)
Total comprehensive income / (loss) for the year	-	-	-	124.37	(11.76)	112.61
Equity Share issued during the year	(19.60)	-	-	-	-	(19.60)
Share premium on equity share issued during the year	(145.22)	145.22	-	-	-	-
Balance as at March 31, 2024	-	145.22	170.65	851.85	(38.31)	2,093.62

1-63

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

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W
Abhishek M. Fadnis
Partner
Membership No. 049939
Place: Mumbai
Date : May 09, 2024



For and on behalf of the Board of Directors
DIGISOL SYSTEMS LIMITED
CIN : U31909GA2016PLC012970
K. R. Naik
Wholetime Director
DIN: 00002013
Arati Naik
Director
DIN: 06965985
Place: Mumbai
Date : May 09, 2024

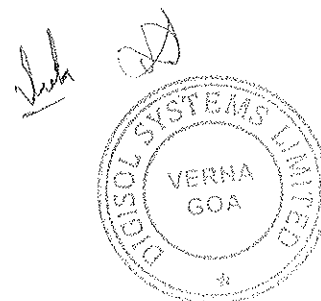


DIGISOL SYSTEMS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Cash flow from operating activities		
Net Profit / (loss) before tax	173.63	455.56
Adjustments for:		
Depreciation and amortisation expenses	138.55	120.63
Finance cost	188.52	86.09
Interest income	(5.87)	(0.11)
Sundry balances written (back) / off (net)	(0.16)	(36.62)
Unrealised Foreign Currency Exchange Rate Fluctuation (net)	(3.89)	(1.83)
EIR impact of security deposits and rent amortization	(1.47)	(1.08)
Bad Debts written off	0.12	0.23
Provision for warranty (net)	25.72	9.30
Provision for doubtful debts and advances (net)	(2.74)	5.82
Gain on de recognition of financial instrument	(1.58)	-
Operating Profit before working capital changes	510.83	637.99
Changes in working capital		
(Increase) / Decrease in inventories	(156.17)	(851.00)
(Increase) / Decrease in trade receivables	(1,384.75)	(2,332.95)
(Increase) / Decrease in other financial assets	(0.37)	(14.76)
(Increase) / Decrease in other current assets	172.77	2.39
Increase / (Decrease) in trade payables	719.54	1,797.35
Increase / (Decrease) in provisions	5.81	0.13
Increase / (Decrease) in financial liabilities	(39.16)	70.41
Increase / (Decrease) in current liabilities	4.56	9.35
Cash generated from / (Used in) operations	(166.94)	(681.09)
Income tax (paid) / refund received (net)	13.79	(2.12)
Net cash flows from / (Used in) operating activities (A)	(153.15)	(683.21)
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(24.98)	(4.75)
Interest received	4.77	0.12
Net cash flow from / (Used in) investing activities (B)	(20.21)	(4.63)
Cash flow from Financing activities		
Proceeds from / (Repayment of) short term borrowings (net)	443.72	859.32
Interest payments	(155.51)	(63.20)
Lease liability payments	(119.88)	(110.94)
Net Cash Flows from / (Used in) Financing Activities (C)	168.33	685.18
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(5.03)	(2.66)
Cash and cash equivalents at the beginning of the year	5.39	8.05
Cash and cash equivalents at the end of the year	0.36	5.39
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	-	4.63
Cash on hand	0.36	0.76
Total cash and cash equivalents at end of the year	0.36	5.39



DIGISOL SYSTEMS LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024
(Amount in INR lakhs, unless otherwise stated)

Non Cash Movement in Financing Activity

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Lease Liabilities (net)	40.63	455.37

See accompanying notes to the financial statements

1-63

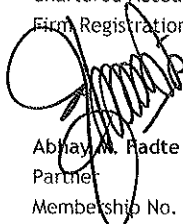
The accompanying notes are an integral part of the financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.:105047W



Abhay M. Radte

Partner

Membership No. 049939

Place: Mumbai

Date : May 09, 2024



For and on behalf of the Board of Directors

DIGISOL SYSTEMS LIMITED

CIN : U31909GA2016PLC012970


K.R. Naik
Wholetime Director
DIN: 00002013


Arati Naik
Director
DIN: 06965985

Place: Mumbai

Date : May 09, 2024



DIGISOL SYSTEMS LIMITED**Notes forming part of the Financial Statements**

(Amount in INR lakhs, unless otherwise stated)

1 General Information

Digisol Systems Limited ("Company") (CIN : U31909GA2016PLC012970) is domiciled and incorporated on August 17, 2016 as a public limited Company in India. The Company is in the business of developing, manufacturing, marketing, distributing and servicing of various categories of Networking and Information Technology (IT) Products sold under brand name "DIGISOL", hereinafter referred to as ("Digisol Business")

These financial statements were approved for issue in accordance with a resolution of the Directors on May 9, 2024.

2 Material accounting policies**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 the Companies (Indian Accounting standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to the financial statements.

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.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:-

Items	Measurement Basis
Certain Financial Assets and Financials Liabilities	Fair Value
Net Defined Benefit (asset) / liability	Present value of defined benefit obligation less fair value of plan assets

(c) Classification into current and non-current:

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

(d) 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 details on estimates and judgments.

(e) Functional and presentation currency

These financials are presented in Indian Rupees (INR), which is also the company's functional currency. All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

(f) Going concern

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

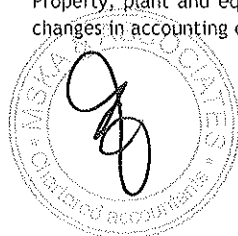
2.2 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

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.



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Depreciation methods, estimated useful lives

The Company 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
Electrical Installations	10
Office equipment	5
Computer	3

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

2.3 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortises intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Computer Software	4 years *
* subject to licence 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.

2.4 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

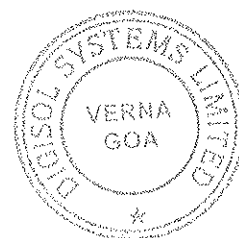
On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction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



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2.5 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:

- a) In the principal market for the asset or liability, or
- b) 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. The Company's management determines the policies and procedures for fair value measurement.

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

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

2.6 Revenue Recognition**Sale of Products**

Revenue from contract with customers is recognised at a point in time when the Company satisfies the performance obligation by transferring / delivering promised goods to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and services tax and amounts collected on behalf of third party.

Rendering of Services

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

Royalty Income

Royalty Income represents earning from licensing arrangements of the Company's trademarks. Revenue from royalty is recognised in accordance with the agreement with customers when the identified performance obligation is satisfied.

The revenue is measured at the agreed basis representing the fair value of consideration received or receivable and is net of Goods and Service Tax.

Other Income

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.7 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

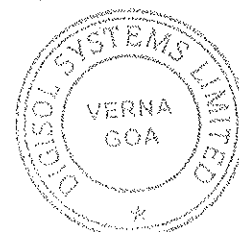
Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the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



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2.8 Leases**As a lessee**

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

2.9 Inventories

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

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

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

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

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

2.10 Impairment of non-financial assets

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

2.11 Provisions and contingent liabilities

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

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

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

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.



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2.12 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) 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 finance 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 other income using the effective interest rate method.

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

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

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

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

(iii) Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-quarters 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 quarters 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-quarters ECL is a portion of the lifetime ECL which results from default events that are possible within 12 quarters after the year end.



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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 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. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) **Derecognition of financial assets**

A financial asset is derecognized only when

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

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

(b) **Financial liabilities**

(i) **Initial recognition and measurement**

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

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

(ii) **Subsequent measurement**

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

(iii) **Derecognition**

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

(c) **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.



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2.13 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) Defined Contribution schemes

- (i) Company's contribution to the provident fund and employee's state insurance fund are charged to the statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

(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 are recognised in OCI is reflected immediately in Surplus / (Deficit) in the Statement of Profit and Loss and is not reclassified to profit or loss in subsequent periods.

(iii) 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.

2.14 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.

2.15 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.

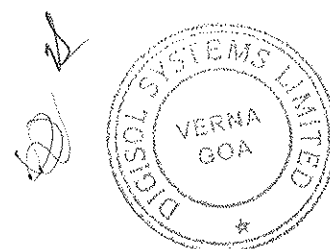
Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.16 Events occurring after the balance sheet date

Where material, events occurring after the date of the balance sheet are considered up to the date of approval of accounts by the Board of Directors.

2.17 Rounding off amounts

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



3 Critical 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, 2024 are as below :

(a) Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 32

(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.

4.1 Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company has applied these amendments for the first-time in these consolidated financial statements.

(a) Amendments to Ind AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

(b) Amendments to Ind AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

(c) Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

(d) New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.



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5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block			Depreciation			Net block	
	As at April 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	For the period	Deductions/ Adjustments	As at March 31, 2024	As at April 01, 2023
Plant and equipment	208.65	12.74	-	221.39	20.15	-	174.66	54.14
Furniture and fixture	89.76	-	-	89.76	0.47	-	89.13	1.10
Office equipment	23.53	-	-	23.53	0.33	-	23.01	0.85
Electrical installations	19.25	-	3.51	15.74	0.44	3.51	13.46	2.72
Computers	203.27	12.24	-	215.51	13.79	-	202.08	14.98
Right-of-use assets	443.78	61.85	61.85	443.78	103.37	9.28	155.39	382.48
Total	988.24	86.83	65.36	1,009.71	138.55	12.79	657.73	456.27

Particulars	Gross block			Depreciation			Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	For the period	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022
Plant and equipment	205.99	2.66	-	208.65	19.22	-	154.51	70.70
Furniture and fixture	89.48	0.28	-	89.76	0.46	-	88.66	1.28
Office equipment	23.53	-	-	23.53	0.47	-	22.68	1.32
Electrical installations	17.43	1.82	-	19.25	0.32	-	16.53	1.22
Computers	203.27	-	-	203.27	11.41	-	188.29	26.39
Right-of-use assets	297.12	443.78	297.12	443.78	85.19	292.82	61.30	28.19
Total	836.82	448.54	297.12	988.24	117.07	292.82	456.27	129.10

6 INTANGIBLE ASSETS

Particulars	Gross block			Amortisation			Net block	
	As at April 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	For the period	Deductions/ Adjustments	As at March 31, 2024	As at April 01, 2023
Computer Software	71.14	-	-	71.14	-	-	71.14	-
Technical know-how	37.75	-	-	37.75	-	-	37.75	-
Total	108.89	-	-	108.89	-	-	108.89	-

Particulars	Gross block			Amortisation			Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	For the period	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022
Computer Software	71.14	-	-	71.14	0.01	-	71.14	0.01
Technical know-how	37.75	-	-	37.75	3.55	-	37.75	3.55
Total	108.89	-	-	108.89	3.56	-	108.89	3.56



7 OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	19.15	19.34
Total	19.15	19.34

8 NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Deducted at Source	8.75	21.44
Total	8.75	21.44

9 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with statutory/Government authorities	146.44	340.87
Pre-deposit with Sales tax	0.25	0.25
Total	146.69	341.12

10 INVENTORIES *

(Valued at the lower of cost or net realizable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock in Trade	1,959.13	1,634.05
Stock in Trade in transit	-	13.84
Raw materials and components	-	43.82
Finished goods	-	104.35
Stores, spares and packing materials	-	6.90
Total	1,959.13	1,802.96

- 1) The Cost of raw materials recognised as expense during the year. 438.02 567.59
2) Carrying value of Inventories hypothecated as security by the company. 1,959.13 1,647.89
(Also refer note 18 and note 54)

11 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
-Considered good (Refer note below)	5,398.34	4,007.17
-Considered doubtful	26.27	29.01
Less : Provision for doubtful debts	(26.27)	(29.01)
Total	5,398.34	4,007.17
Note		
Receivable from related parties (refer note 40)	6.31	5.56
Receivable from others	5,392.03	4,001.61
Due from following Companies in which the Company is having a common director:		
Synegra EMS Limited	6.31	5.56

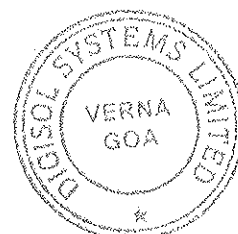
Carrying value of trade receivables hypothecated as security by the company (Also refer note 18 and note 54)

5,398.34

4,007.17



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The net carrying value of trade receivables is considered a reasonable approximation of fair value.
Trade receivable are non-interest bearing and are generally on terms of 30 to 90 days.

Ageing of Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Undisputed Trade receivables - considered good		
Unbilled Dues	-	-
Not Due	4,719.85	3,756.43
Less than 6 months	688.83	260.85
6 months - 1 year	7.78	0.32
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	5,416.46	4,017.60
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-
(iv) Disputed Trade Receivables-considered good		
6 months - 1 year	-	10.43
More than 3 years	8.15	8.15
Total	8.15	18.58
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	(26.27)	(29.01)
Total	5,398.34	4,007.17

12 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
On current accounts	-	4.63
Cash on hand	0.36	0.76
Total	0.36	5.39

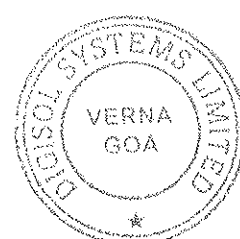
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

13 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to employees	4.29	3.91
Security Deposit	2.33	0.68
Total	6.62	4.59

14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	24.87	30.00
Balance with government authorities	103.10	71.22
Advances to vendors	13.04	18.13
Total	141.01	119.35



15 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized Share Capital		
44,60,00,000 (March 31, 2023 - 41,00,00,000) Equity shares of INR 1/- each.	4,460.00	4,100.00
	4,460.00	4,100.00
Equity shares		
Issued, subscribed and paid up		
4,29,59,857 (March 31, 2023 - 4,10,00,000) Equity shares of INR 1/- each fully paid up	429.60	410.00
Total	429.60	410.00

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

Particulars	As at March 31, 2024	
	Number of shares	Amount in lakhs
Outstanding at the beginning of the year	4,10,00,000	410.00
Add: Issued during the year (Refer note 32)	19,59,857	19.60
Outstanding at the end of the year	4,29,59,857	429.60

Particulars	As at March 31, 2023	
	Number of shares	Amount in lakhs
Outstanding at the beginning of the year	4,10,00,000	410.00
Add: Issued during the year	-	-
Outstanding at the end of the year	4,10,00,000	410.00

(b) Rights, preferences and restrictions attached to shares

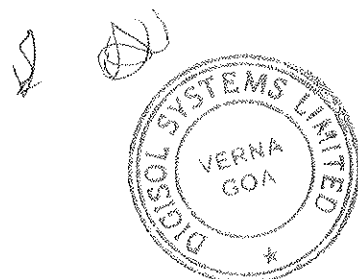
The Company has only one class of Equity shares having a par value of INR 1/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend and in case of repayment of capital. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Shares held by the holding company	As at March 31, 2024	As at March 31, 2023
Smartlink Holdings Limited		
4,29,59,857 (March 31, 2023 - 4,10,00,000) Equity shares of INR 1/- each fully paid up	429.60	410.00

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

Name of the shareholder	As at March 31, 2024	
	Number of shares	% of holding in the class
Equity shares of INR 1 each fully paid Smartlink Holdings Limited	4,29,59,857	100%

Name of the shareholder	As at March 31, 2023	
	Number of shares	% of holding in the class
Equity shares of INR 1 each fully paid Smartlink Holdings Limited	4,10,00,000	100%



DIGISOL SYSTEMS LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs, unless otherwise stated)

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

Promoter name	As at March 31, 2024		
	No. Of Shares	% of total shares	% Change during the year
Smartlink Holdings Limited	4,29,59,857	100%	4.78%
Total	4,29,59,857	100%	4.78%

Promoter name	As at March 31, 2023		
	No. Of Shares	% of total shares	% Change during the year
Smartlink Holdings Limited	4,10,00,000	100%	-
Total	4,10,00,000	100%	-

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

(f) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end, except for shares issued during the current year pursuant to scheme of amalgamation (Refer note 32).

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

16 OTHER EQUITY
A. Capital contribution *

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	170.65	170.65
Closing balance	170.65	170.65

* This pertains to Capital contribution of INR 41.10 lakhs on account of loan from a Director at a lower rate than market rate of interest and INR 129.55 lakhs on account of fair valuation impact on conversion of debentures into equity share capital.

B. Capital Reserve *

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	964.21	964.21
Closing balance	964.21	964.21

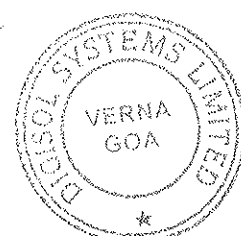
* INR 810.25 Lakhs pertains to the balance amount remaining from reduction in equity capital after writing off accumulated losses to the extent of INR 2,879.75 lakhs and Capital reserve pursuant to the scheme of amalgamation INR 153.97 lakhs. (Refer note 32)

C. Share Capital pending allotment

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	164.82	164.82
Equity shares allotted pursuant to the scheme of amalgamation (Refer Note 32)	(164.82)	-
Closing balance	-	164.82

D. Share Premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Premium received on equity shares allotted pursuant to the scheme of amalgamation (Refer Note 32)	145.22	-
Closing balance	145.22	-



DIGISOL SYSTEMS LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs, unless otherwise stated)

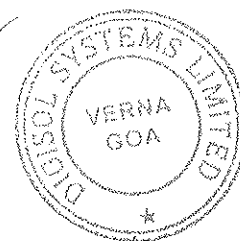
E. FVTOCI reserve on defined benefits (net of tax)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(26.55)	(6.74)
Add: Addition during the year	(11.76)	(19.81)
Closing balance	(38.31)	(26.55)

* This represents remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) on employee defined benefit plans.

F. Surplus / (Deficit) in the Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	727.48	284.31
Add: Net Profit / (Loss) for the year	124.37	443.17
Closing balance	851.85	727.48
Total other equity	2,093.62	2,000.61

17 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (funded) (refer note 37)	62.57	46.99
Provision for leave encashment (unfunded) (refer note 37)	20.69	16.81
Provision for Warranty (Refer note 34)	47.30	26.01
Total	130.56	89.81

18 BORROWINGS (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Secured</u>		
Bank overdraft	1,297.37	203.65
Loan from Bajaj Finance Limited	850.00	1,350.00
<u>Unsecured</u>		
Loan from a Director	-	150.00
Total	2,147.37	1,703.65

Terms and conditions:

Secured Loan:

Overdraft with HDFC bank is secured, by a charge ranking pari passu, by way of hypothecation of all present and future Inventory and trade receivables, Corporate Guarantee from Smartlink Holdings Limited (Holding Company) of INR 3,000 lakhs.

During the year the Company has availed Overdraft facility from ICICI bank, secured, by a charge ranking pari passu, by way of hypothecation of Bandhan Banking and PSU Debt Mutual Fund from Smartlink Holdings Limited (Holding Company) of INR 423.55 lakhs.

Loan from Bajaj Finance Ltd are secured by Fixed deposit of Smartlink Holdings Limited (Holding Company) of INR 1,250 lakhs (March 31, 2023 INR 1,500 lakhs) with Bajaj Finance Limited and Corporate Guarantee from Holding Company of INR 2,000 lakhs.

Unsecured Loan

Loans from Director taken for a tenure of 365 days.

Net Debt Reconciliation

Analysis of net debts and movement in net debts for each of the period presented:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and Cash equivalents	0.36	5.39
Current Borrowings	(2,147.37)	(1,703.65)
Net Debt	(2,147.01)	(1,698.26)

The details of financial and non financial assets pledged as security for current and non-current borrowings are disclosed in Note 54.

19 TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	750.06	114.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,517.94	2,434.53
Total	3,268.00	2,548.71

Foot note:

Payment towards trade payables is made as per the terms and conditions of the contract/purchase orders. Generally the average credit period on purchases is 30 to 60 days.



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DIGISOL SYSTEMS LIMITED
Notes forming part of the Financial Statements

(Amount in INR lakhs, unless otherwise stated)

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

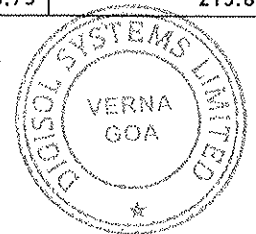
Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding principal amount and interest as on 31st March.		
- Principal Amount	750.06	114.18
- Interest due thereon	0.17	0.09
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	3.17	0.68
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	0.09
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.17	0.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Trade Payables ageing schedule

Particulars	As at March 31, 2024	As at March 31, 2023
(i) MSME		
Unbilled Dues	-	-
Payable Not Due	750.06	114.12
Less than 1 year	-	0.06
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total MSME	750.06	114.18
(i) Others		
Unbilled Dues	360.08	229.22
Payable Not Due	1,749.62	1,909.00
Less than 1 year	408.24	296.31
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total Others	2,517.94	2,434.53
Total	3,268.00	2,548.71

20 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Payable	167.03	169.25
Interest accrued on delayed payment to MSME (Refer Note 19)	0.17	0.09
Security deposits	5.19	5.19
Payable to Telesmart SCS Limited Shareholders Other than Smartlink Holdings Limited (Refer Note 32)	-	41.20
Interest accrued but not due on loans	4.34	0.08
Total	176.73	215.81

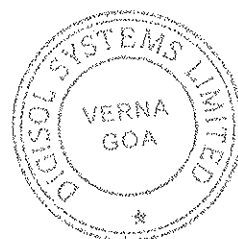



21 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	18.53	23.48
Advance from customers	20.53	11.02
Total	39.06	34.50

22 PROVISIONS (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (funded) (refer note 37)	0.68	0.64
Provision for leave encashment (unfunded) (refer note 37)	8.33	6.30
Provision for Warranty (Refer note 34)	15.04	10.61
Total	24.05	17.55



23 REVENUE FROM OPERATIONS

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<u>Revenue from Contract with Customers</u>		
Sale of goods	17,280.28	14,317.10
Sale of services	647.90	601.94
Royalty Income	-	141.35
<u>Other Operating Revenue</u>		
Sale of Scrap	0.06	3.43
SEIS Scrip Duty Income	-	7.53
Total	17,928.24	15,071.35

Geographical markets	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
India	17,320.84	14,530.76
Outside India	607.40	540.59
Total	17,928.24	15,071.35

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

Contract Balances

Movement in contract Liabilities during the year	Advance from Customers	
	Current Year	Previous year
Opening Balance	11.02	11.43
Less: Revenue Recognised	11.02	2.38
Add: Amount received	20.53	1.97
Closing Balance	20.53	11.02

24 OTHER INCOME

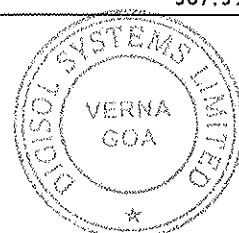
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest income		
- on fixed deposits designated as amortized cost	4.77	0.11
- on income tax Refund	1.10	-
Interest income on security deposits	1.47	1.08
Gain on derecognition of financial instrument measured at amortised cost	1.58	-
Net Gain on fair value changes on financial instruments designated at fair value through profit or loss	0.06	-
Rent Income	4.50	2.16
Foreign exchange fluctuation	19.97	36.06
Expected Credit Loss on trade receivables for time value of money	2.74	-
Recovery of trade receivables earlier written off	0.16	36.62
Miscellaneous Income	0.13	2.19
Total	36.48	78.22

25 COST OF RAW MATERIALS CONSUMED

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Inventory at the beginning of the year	43.82	95.18
Add: Purchases	394.20	516.23
Less: Inventory at the end of the year	-	43.82
Total	438.02	567.59



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26 CHANGES IN INVENTORIES OF TRADED GOODS

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Inventories at the beginning of the year		
Finished goods		
- Manufactured	104.35	0.62
- Stock in Trade	1,647.88	852.02
Work in Progress	-	0.38
	1,752.23	853.02
Less: Inventories at the end of the year		
Finished goods		
- Manufactured	-	104.35
- Stock in Trade	1,959.13	1,647.88
Work in Progress	-	-
	1,959.13	1,752.23
Total	(206.90)	(899.21)

27 EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries, allowances, bonus and ex-gratia	1,067.56	962.65
Contribution to Provident and other funds (refer note 37)	32.50	31.96
Contribution to Gratuity fund (refer note 37)	14.90	10.49
Staff welfare and other employee expenses	35.11	44.27
Total	1,150.07	1,049.37

Refer note 60

28 FINANCE COSTS

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest on working capital loan	15.74	27.49
Interest on short term loan	72.86	29.54
Interest on inter corporate deposit	58.49	-
Interest on delayed payment to MSME vendors	3.25	0.17
Interest on others	5.25	5.41
Interest on lease liabilities	32.93	23.48
Total	188.52	86.09

29 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Depreciation on property, plant & equipment (refer note 5)	138.55	117.07
Amortization on Intangibles (refer note 6)	-	3.56
Total	138.55	120.63



30 OTHER EXPENSES

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Consumption of store and spares	19.82	32.61
Repairs and maintenance expenses		
Machinery	-	0.68
Others	5.72	5.94
Lease Rent and License Fees	34.58	33.69
Rates and Taxes	15.54	27.64
Power and fuel	5.78	9.38
Conveyance and travelling expenses	82.08	79.29
Communication Cost	15.37	11.86
Advertisement and business promotion	144.66	188.51
Legal and professional charges	192.28	216.29
Freight Outward	147.48	121.13
Servicing Expenses	78.05	48.14
Director's Sitting Fees	3.50	12.15
Auditor's Remuneration*	7.00	8.62
Insurance charges	44.81	35.95
Computer consumables, software maintenance charges	10.38	12.14
Office Expenses	19.48	23.16
Printing and Stationery	4.21	4.08
Bank charges and commission	7.32	6.32
Bad debts written off	0.12	0.23
Expected Credit Loss on trade receivables for time value of money	-	5.82
Sundry Balances Written off	-	0.01
Expenditure on corporate social responsibility (Refer Note 59)	-	3.03
Miscellaneous expenses	17.66	13.98
Total	855.84	900.65

*Note : The following is the break-up of Auditor's remuneration (excluding input credit of GST availed, if any)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
As auditor:		
Statutory audit	7.00	8.50
Other matters	-	-
Reimbursement of expenses	-	0.12
Total	7.00	8.62



31 DEFERRED TAX ASSET (NET) / TAX EXPENSE

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Deferred tax relates to the following:		
Deferred tax assets		
On provision for employee benefits	23.22	17.80
On property, plant and equipment	9.96	7.58
On business losses	424.15	519.09
On provision for slow moving stock	83.38	42.71
On provision for doubtful debts	6.61	7.30
On disallowance u/s 40A of Income Tax Act, 1961	17.58	13.92
On Provision for warranty	15.69	9.22
On VRS Compensation	-	8.52
On others	5.13	4.88
	585.72	631.02
Deferred tax liabilities	-	-
Deferred tax asset (net)	585.72	631.02

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

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance as of April 01	631.02	636.75
Tax liability recognized in Statement of Profit and Loss	(49.26)	(12.39)
Tax liability recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	3.96	6.66
Tax asset recognized in Statement of Profit and Loss	-	-
Closing balance as at March 31	585.72	631.02

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

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Tax liability	(49.26)	(12.39)
Tax asset	-	-
	(49.26)	(12.39)

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

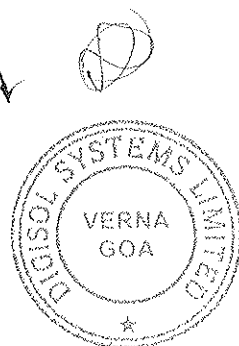
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
- Current tax taxes	-	-
- Adjustments in respect of current income tax of previous year	-	-
- Deferred tax charge / (income)	49.26	12.39
Income tax expense reported in the statement of profit or loss	49.26	12.39

(E) Income tax charged / (credited) to OCI

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(3.96)	(6.66)
Income tax expense charged to OCI	(3.96)	(6.66)

(F) Reconciliation of tax charge

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Profit before tax	173.63	455.56
Tax Rate	25.168%	25.168%
Income tax expense at tax rates applicable	43.70	114.65
Tax effects of:		
- Penalty	0.39	0.26
- MSME interest	0.82	-
- Other comprehensive income	3.96	6.66
- Others	0.39	(9.85)
- brought forward from Telesmart SCS Limited	-	(99.33)
Income tax expense	49.26	12.39



32 Business Combination

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

The consideration towards the 'Scheme' was as under:

-Issue of 1,959,857 Equity Shares (face value of Rs 1 each) of the Company at a fair value of Rs 8.41 per share to Smartlink Holdings Limited in lieu of their shares held in Telesmart.

-Payment of cash consideration to other shareholders of Telesmart at a fair value of Rs 8.41 per share.

- b) The 'Scheme' had accordingly been given effect in the financial statements of the Company from the appointed date. Accordingly, the figures presented in the financial statements were after giving effect to the said Scheme. The 'Scheme' being a common control transaction, as per the requirement of Appendix C of Ind AS 103 on Business Combinations, the pooling of interest method had been applied.
- c) The difference between the consideration and the value of net assets and reserves and surplus of Telesmart transferred to the Company had been adjusted against the capital reserves account of the Company, in accordance with the 'Scheme'.
- d) The effects of the 'Scheme' had been accounted for in the books of accounts of the Company in accordance with the Scheme and is in accordance with the Indian Accounting Standards.
- e) The shares pending allotment as at the March 31, 2023 have been allotted by the Board of Directors at its meeting held on May 17, 2023. Accordingly 1,959,857 Equity Shares (face value of Rs 1 each) have been accounted under Equity Share Capital and additional consideration on account of higher face value is accounted under Share premium.
- f) Scheme related cost amounting to Rs. 3.68 Lakhs incurred in previous year had been included in note no. 30 under ' Legal and Professional expenses'.

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

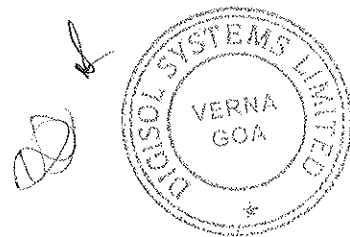
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Ordinary equity shareholders		
Profit/ (Loss) attributable to ordinary equity holders	124.37	443.17
Weighted average number of equity shares for basic EPS	4,27,08,181	4,10,00,000
Face Value per share	1	1
Basic earnings per share (INR)	0.29	1.08
Diluted earnings per share (INR)	0.29	1.08

34 PROVISIONS

Provision for Warranty

The Company gives warranties on active products, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Warranty provision is made on the cost of material estimated to be incurred on servicing / replacement of active products in future, considering the warranty period of 3-5 years. The provision is determined taking into consideration the historical data of cost incurred on servicing / rectifying product failures.

Movement of warranty provisions	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	36.62	27.32
Add: Additional provision created	25.72	9.30
Less: Provision written back (net of additions)	-	-
As at the end of the year	62.34	36.62
Classified as:		
Non Current	47.30	26.01
Current	15.04	10.61
Total	62.34	36.62



35 CONTINGENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Disputed demands of custom duty INR 13.54 lakhs pending before the Custom Appeals (Amount deposited under protest INR 13.54) in connection with classification of Switches and Transceiver.	13.54	-
Disputed demands of custom duty INR 38.99 lakhs against show cause notice issued by Customs Department in connection with classification of Ethernet Switches.	38.99	-

36 CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Commitments	-	-
Other Commitments	-	-

37 EMPLOYEE BENEFITS

(A) Defined Contribution Plans

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

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employer's Contribution to Provident Fund and Pension Fund	29.53	28.53
Employer's contribution to Employee State Insurance	2.16	2.80
Employer's contribution to National Pension Scheme	0.69	0.46
Employer's contribution to Professional Tax	0.12	0.17
Total	32.50	31.96

(B) Defined benefit plans

a) Gratuity payable to employees

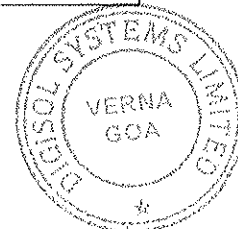
Particulars	As at March 31, 2024	As at March 31, 2023
i) Actuarial assumptions		
Discount rate (per annum)	6.97%	7.22%
Rate of increase in Salary	6.00%	6.00%
Expected average remaining working lives of employees (years)	15.24	15.24
Attrition rate	9.00%	9.00%
Mortality table used	IALM (2012-14) Ult.	IALM (2012-14) Ult.
ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	89.45	61.17
Interest cost	6.44	4.49
Current service cost	11.07	8.24
Benefits paid	(11.42)	(11.23)
Actuarial (gain)/ loss on obligations	16.48	26.78
Present value of obligation at the end of the year*	112.02	89.45
iii) Change in the fair value of plan assets:		
Opening fair value of plan assets	41.82	36.07
Interest Income	2.61	2.24
Contributions by employer	15.00	14.43
Benefits paid	(11.42)	(11.23)
Return on plan assets excluding interest income	0.76	0.31
Closing fair value of plan assets	48.77	41.82

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
iv) Expense recognized in the Statement of Profit and Loss		
Current service cost	11.07	8.24
Interest cost (net)	3.83	2.25
Total expenses recognized in the Statement Profit and Loss*	14.90	10.49

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



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Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
v) Expense recognized in Other comprehensive income		
Actuarial (gain) / loss on Obligation for the period	16.48	26.78
Return on plan assets excluding interest income	(0.76)	(0.31)
Net actuarial (gains) / losses recognised in OCI	15.72	26.47

Particulars	As at March 31, 2024	As at March 31, 2023
vi) Assets and liabilities recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	112.02	89.45
Fair Value of Plan Assets at the end of the year	48.77	41.82
Net asset / (liability) recognized in Balance Sheet**	(63.25)	(47.63)

**Included in provision for employee benefits (Refer note 17 and 22)

vii) Expected contribution to the fund in the next year INR 15.13 lakhs.

viii) A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:

Impact on defined benefit obligation

Discount rate	As at March 31, 2024	As at March 31, 2023
1% increase	99.55	79.91
1% decrease	126.62	100.62

Rate of increase in salary	As at March 31, 2024	As at March 31, 2023
1% increase	126.57	100.62
1% decrease	99.37	79.76

ix) Maturity profile of defined benefit obligation

Years	As at March 31, 2024	As at March 31, 2023
Year 1	0.68	0.64
Year 2	0.93	0.59
Year 3	0.71	0.75
Year 4	0.94	10.66
Year 5	12.97	0.66
Year 6 to 10	40.11	42.03

b) Leave encashment

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial assumptions		
Discount rate (per annum)	6.97%	7.22%
Rate of increase in Salary	6.00%	6.00%
Expected average remaining working lives of employees (years)	15.24	15.24
Attrition rate	9.00%	9.00%
Mortality table used	IALM (2012-14) Ult.	IALM (2012-14) Ult.

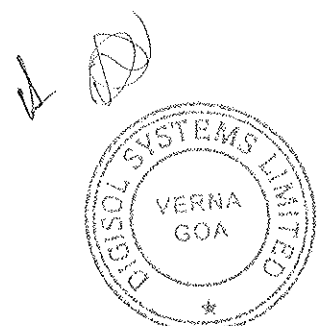
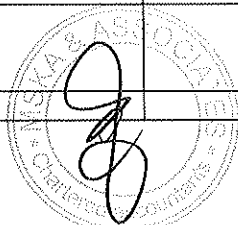
38 LEASES

(A) Operating leases where Company is a lessee:

The Company has entered into lease transactions mainly for leasing of office premises for periods between 1 to 5 years. The terms of lease include renewal, cancellation and increase in rents in future period, which are in line with general inflation and terms of cancellation. The amount with respect to operating leases in accordance with Ind AS 116 is as follows:

i. Right-of-use assets

Particulars	Prepaid Rent	Building	Total
Balance as at April 01, 2022	0.07	28.12	28.19
Additions	7.59	436.19	443.78
Deletions	-	4.30	4.30
Depreciation	1.18	84.01	85.19
Balance as at March 31, 2023	6.48	376.00	382.48
Additions	-	61.85	61.85
Deletions	-	52.57	52.57
Depreciation	1.18	102.19	103.37
Balance as at March 31, 2024	5.30	283.09	288.39



ii. Lease liabilities

Particulars	Premises
Balance as at April 01, 2022	43.58
Additions /Adjustment	436.19
Deletions	(4.30)
Finance cost accrued during the period	23.48
Payment of lease liabilities	(110.94)
Balance as at March 31, 2023	388.01
Additions	61.85
Deletions	(54.15)
Finance cost accrued during the period	32.93
Payment of lease liabilities	(119.88)
Balance as at March 31, 2024	308.76

iii. Break-up of current and non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease Liabilities	88.01	79.25
Non-current Lease Liabilities	220.75	308.76

iv. Maturity analysis of lease liabilities (Cash Outflow)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Not later than one year	110.19	123.66
b. Later than one year and not later than five years	242.70	352.90
c. Later than five years	-	-

v. Other details

Particulars	As at March 31, 2024	As at March 31, 2023
Amounts recognised in statement of Profit and Loss account - Interest on Lease Liabilities	32.93	23.48
Amounts recognised in statement of Cash Flows - Total Cash outflow for leases	(119.88)	(110.94)

39 RELATED PARTY DISCLOSURES:

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

Holding Company

Smartlink Holdings Limited

Entity under common control

Synegra EMS Limited

Enterprises over which director is able to exercise significant control

Telebox Industries Corp (Not applicable w.e.f May 06, 2023 post amalgamation)

Key Management Personnel (KMP)

Mr. Kamalaksha R. Naik - Wholetime Director

Ms Arati K. Naik - Director

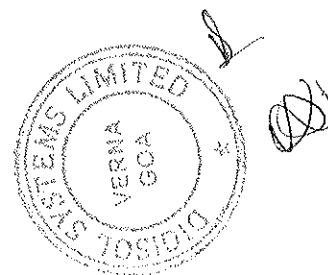
Mr. Pankaj Baliga - Non-Executive Director

Mr. Pradeep Rane - Non-Executive Director

Mr. K. M. Gaonkar - Director (Telesmart SCS Limited) (upto May 04, 2023 post amalgamation)

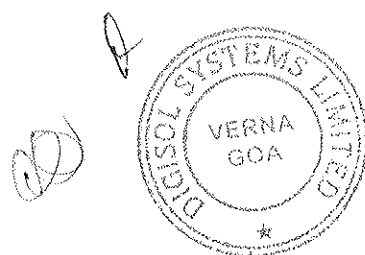
Mr. Bhanubhai Patel - Director (Telesmart SCS Limited) (upto May 04, 2023 post amalgamation)

Mr. Ray Chang - Director (Telesmart SCS Limited) (upto May 04, 2023 post amalgamation)



(B) Details of transactions with related party in the ordinary course of business for the year ended March 31, 2024:

Nature of transactions	Holding Company	Entity under Common Control	Enterprises over which director is able to exercise significant control	Key Management Person	Total
Loan					
Smartlink Holdings Limited	3,340.00	-	-	-	3,340.00
	(-)	(-)	(-)	(-)	(-)
Repayment of Loan					
Smartlink Holdings Limited	3,340.00	-	-	-	3,340.00
	(-)	(-)	(-)	(-)	(-)
Repayment of Director Loan					
Mr. Kamalaksha R. Naik	-	-	-	150.00	150.00
	(-)	(-)	(-)	(80.00)	(80.00)
Interest on Loan					
Smartlink Holdings Limited	58.49	-	-	-	58.49
	(-)	(-)	(-)	(-)	(-)
Sale of Raw Material					
Smartlink Holdings Limited	-	-	-	-	-
	(0.07)	(-)	(-)	(-)	(0.07)
Synegra EMS Limited	-	190.77	-	-	190.77
	(-)	(-)	(-)	(-)	-
Purchase of Traded Products					
Synegra EMS Limited	-	6,708.33	-	-	6,708.33
	(-)	(4,978.77)	(-)	(-)	(4,978.77)
Purchase of Traded Products (Repair & Maintenance)					
Synegra EMS Limited	-	-	-	-	-
	(-)	(0.02)	(-)	(-)	(0.02)
Purchase of Material					
Telebox Industries Corp	-	-	-	-	-
	(-)	(-)	(2.80)	(-)	(2.80)
Director sitting fees					
Mr. Pankaj Baliga	-	-	-	2.00	2.00
	(-)	(-)	(-)	(2.50)	(2.50)
Mr. Pradeep Rane	-	-	-	1.50	1.50
	(-)	(-)	(-)	(2.00)	(2.00)
Mr. K. M. Gaonkar	-	-	-	-	-
	(-)	(-)	(-)	(2.00)	(2.00)
Mr. Bhanubhai R. Patel	-	-	-	-	-
	(-)	(-)	(-)	(2.50)	(2.50)
Mr. Ray Chang	-	-	-	-	-
	(-)	(-)	(-)	(2.50)	(2.50)
Rent Income					
Smartlink Holdings Limited	3.30	-	-	-	3.30
	(2.16)	(-)	(-)	(-)	(2.16)
Synegra EMS Limited	-	1.20	-	-	1.20
	(-)	(-)	(-)	(-)	-
Rent Written back					
Smartlink Holdings Limited	-	-	-	-	-
	(32.72)	(-)	(-)	(-)	(32.72)
Rent Expense					
Smartlink Holdings Limited	64.14	-	-	-	64.14
	(71.42)	(-)	(-)	(-)	(71.42)
Ms Arati K Naik	-	-	-	2.40	2.40
	(-)	(-)	(-)	(2.40)	(2.40)



Nature of transactions	Holding Company	Entity under Common Control	Enterprises over which director is able to exercise significant control	Key Management Person	Total
Reimbursement of Electricity expenses Synegra EMS Limited	- (-)	- (5.81)	- (-)	- (-)	- (5.81)
Interest Expense Synegra EMS Limited	- (-)	3.18 (0.04)	- (-)	- (-)	3.18 (0.04)
Shares issued at premium Smartlink Holdings Limited	164.82 (-)	- (-)	- (-)	- (-)	164.82 -
Payment to Individual Shareholder towards amalgamation Telebox Industries Corp	- (-)	- (-)	20.60 (-)	- (-)	20.60 (-)
Mr. Ray Chang	- (-)	- (-)	- (-)	20.60 (-)	20.60 (-)
Security provided by Smartlink Holdings Limited to (Pledge on units of Mutual Fund) ICICI Bank Limited	423.55 (-)	- (-)	- (-)	- (-)	423.55 -
Corporate Guarantee provided by Smartlink Holdings Limited to HDFC Bank Limited - credit facility	3,000.00 (3,000.00)	- (-)	- (-)	- (-)	3,000.00 (3,000.00)
Bajaj Finance Limited - working capital loan	2,000.00 (2,000.00)	- (-)	- (-)	- (-)	2,000.00 (2,000.00)
Corporate Guarantee given on behalf on Digisol revoked HDFC Bank Limited - credit facility	3,000.00 (2,000.00)	- (-)	- (-)	- (-)	3,000.00 (2,000.00)
Bajaj Finance Limited - working capital loan	2,000.00 (-)	- (-)	- (-)	- (-)	2,000.00 -
Amounts due to / due from as at the year end					
Amounts due from Synegra EMS Limited	- (-)	6.31 (5.56)	- (-)	- (-)	6.31 (5.56)
Amounts due to Smartlink Holdings Limited - Creditors	4.75 (16.98)	- (-)	- (-)	- (-)	4.75 (16.98)
Mr Kamalaksha R. Naik - Unsecured Loan	- (-)	- (-)	- (-)	- (150.00)	- (150.00)
Synegra EMS Limited - Creditors	- (-)	747.24 (107.21)	- (-)	- (-)	747.24 (107.21)

Figures in brackets pertains to the previous year

40 SEGMENT REPORTING

The Wholetime Director 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 developing, manufacturing, marketing, distributing and servicing networking products. These networking products are sold to distributors, Original Equipment Manufacturers (OEM's) and System Integrators (SI), which are primarily assessed as a single reportable operating segment in accordance with Ind AS 108 by the CODM.

The information based on geographical areas in relation to revenue and non-current assets are as below:

(A) Revenue from operations

Particulars	As at March 31, 2024	As at March 31, 2023
Within India	17,320.84	14,530.76
Outside India	607.40	540.59
Total	17,928.24	15,071.35



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(B) Non-current operating assets

All non-current assets other than financial instruments, deferred tax assets of the company are located in India.

(C) Details of customers contributing to more than 10% of total revenue are as below

Name	As at March 31, 2024	As at March 31, 2023
Customer A	5,001.78	4,153.00
Customer B	1,460.21	1,196.95
Customer C	773.98	1,406.66

41 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.

42 FAIR VALUE HIERARCHY

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

•Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

•Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

•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	Note	Fair value hierarchy	As at March 31, 2024	As at March 31, 2023
Financial assets measured at amortized cost				
Trade receivables	11	Level 3	5,398.34	4,007.17
Cash and cash equivalents	12	Level 3	0.36	5.39
Other financial assets	13	Level 3	25.77	23.93
Financial liabilities measured at amortized cost				
Non Current Lease Liability	38	Level 3	220.75	308.76
Current borrowings	18	Level 3	2,147.37	1,703.65
Current Lease Liability	38	Level 3	88.01	79.25
Trade payables	19	Level 3	3,268.00	2,548.71
Other financial liabilities	20	Level 3	176.73	215.81

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

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

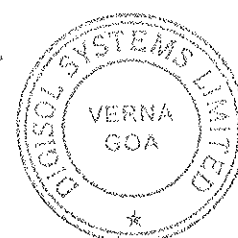
The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of 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 three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.



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(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. 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) 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 Company's functional currency).

(a) The Company's exposure to foreign currency risk at the end of the year is as follows

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade Receivables	USD	238.42	104.21
Trade Payables	USD	122.23	26.94

(b) Foreign currency sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease against the US Dollar. 1% is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Particulars	As at March 31, 2024	As at March 31, 2023
Impact of 1% strengthening against USD - Decrease in loss	3.61	1.31
Impact of 1% weakening against USD - Increase in loss	3.61	1.31

(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, and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represents maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

However, the credit risk arising on cash and cash equivalents is limited as the Company invest in deposits with banks and financial institution with credit ratings and strong repayment capacity.

Trade Receivables

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Not Due	4,719.85	3,756.43
Past due 1 -180 days	688.83	260.85
Past due for more than 180 days	15.93	18.90

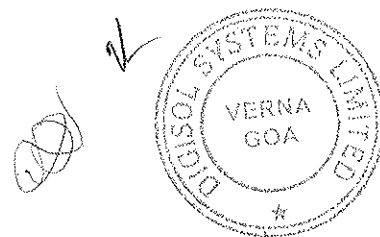
Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Movement of provision for doubtful debts:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	29.01	23.19
Amount reversed /provided during the year (net)	(2.74)	5.82
Balance at the end of the year	26.27	29.01

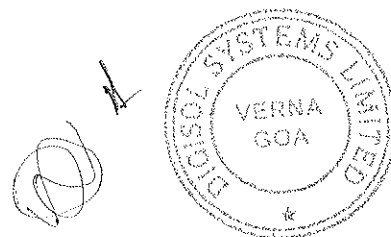


(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	Note	Less than 3 months	3 months to 12 months	1-5 Yrs	More than 5 years	Total
As at March 31, 2024						
Short term borrowings	18	2,147.37	-	-	-	2,147.37
Short term lease liability	38	26.13	61.88	-	-	88.01
Long term lease liability		-	-	220.75	-	220.75
Trade payables	19	3,268.00	-	-	-	3,268.00
Other financial liabilities	20	176.73	-	-	-	176.73
		5,618.23	61.88	220.75	-	5,900.86
As at March 31, 2023						
Short term borrowings	18	1,703.65	-	-	-	1,703.65
Short term lease liability	38	18.80	60.45	-	-	79.25
Long term lease liability	38	-	-	308.76	-	308.76
Trade payables	19	2,548.71	-	-	-	2,548.71
Other financial liabilities	20	215.81	-	-	-	215.81
		4,486.97	60.45	308.76	-	4,856.18



- 44 The Company has not given Loans or Advances in the nature of loans to Promoters, Directors, Key Management Personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- 45 **Capital-Work-in Progress (CWIP)**
The Company does not have any Capital work in progress during the current year and the previous year.
- 46 **Intangible assets under development**
The Company does not have any Intangible assets under development during the current year and the previous year.
- 47 **Details of Benami Property held**
The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 48 **Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions**
Monthly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.
- 49 **Wilful Defaulter**
The Company has not been declared a wilful defaulter by any bank or financial Institution.
- 50 **Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**
The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
- 51 **Registration of charges or satisfaction with Registrar of Companies**
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 52 **Compliance with number of layers of companies**
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 53 **Utilisation of Borrowed funds and share premium:**
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54 **ASSETS PLEDGED AS SECURITY**

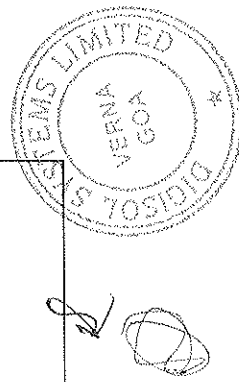
The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	As at March 31, 2024	As at March 31, 2023
Current assets			
Inventories	10	1,959.13	1,647.89
Trade receivables	11	5,398.34	4,007.17
Total Assets pledged as security		7,357.47	5,655.06

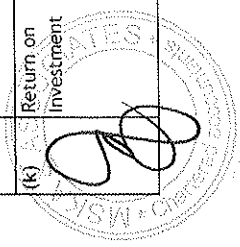
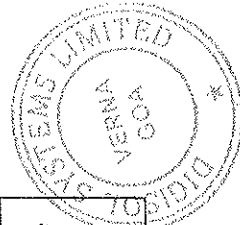



55 Ratios

S No.	Ratio	Formula	March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
(a)	Current Ratio	Current Assets / Current Liabilities	7,505.46	5,743.22	5,939.46	4,599.47	1.31	1.29	-1%	
		Current Assets = Total current assets								
		Current Liabilities = Total current liabilities								
(b)	Debt-Equity Ratio	Debt / Equity	2,147.37	2,523.22	1,703.65	2,410.61	0.85	0.71	20%	
		Debt = Borrowings (Current + Non Current)								
		Equity = Equity share Capital + Other equity								
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	451.44	2,423.90	649.89	1,868.99	0.19	0.35	46%	On account of higher borrowings during the year.
		Net Operating income = P/L after Tax + Depreciation + Finance cost								
		Debt Service = Finance cost + (Current Borrowings + Current lease liability)								
		Profit after tax less pref. Dividend x 100 / Shareholder's Equity	124.37	429.60	443.17	410.00	0.29	1.08	73%	Decrease on account of reduction of profit during the year.
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend = Profit/(Loss) for the year								
		Shareholder's Equity = Equity share Capital								
		Cost of Goods Sold / Average inventory	15,458.11	1,881.05	12,537.27	1,377.46	8.22	9.10	-10%	
		Cost of Goods Sold = Cost of raw materials consumed + Changes in inventories of finished goods and work-in-progress								
(e)	Inventory Turnover Ratio	Average Inventory = (Closing inventory + Opening inventory)/2								



S No.	Ratio	Formula	March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	17,928.18	4,702.76	15,060.39	2,842.95	3.81	5.30	-28%	Decrease due to increase in receivables at year ended 31 March 2024
		Net Credit Sales = Sale of goods + Sale of services + Royalty Income								
		Average Trade Receivables = (Closing Trade receivables + Opening Trade receivables)/2								
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	15,621.19	2,908.36	13,385.12	1,668.49	5.37	8.02	-33%	Decrease due to increase in trade payable at year ended 31 March 2024
		Net Credit Purchases = Purchases of stock in trade + Purchase of raw material								
		Average Trade Payables = (Closing Trade payable + Opening Trade payable)/2								
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	17,928.24	1,551.12	15,071.35	1,213.04	11.56	12.42	-7%	
		Revenue = Revenue from Operations								
		Average Working Capital = ((Opening Current assets + Closing current assets)/2 + (Opening current liabilities + closing current liabilities)/2)								
(i)	Net Profit Ratio	Net Profit / Net Sales	173.63	17,928.18	455.56	15,060.39	0.01	0.03	68%	Decrease on account of reduction of profit inspite of increase in revenue during the period.
		Net Profit = Profit/(Loss) before tax								
		Net Sales = Sale of goods + Sale of services + Royalty Income								
(j)	Return on Capital Employed	EBIT / Capital Employed	362.15	2,874.53	541.65	2,809.18	0.13	0.19	35%	Decrease on account of reduction in profit. Increase in capital employed due to increase in receivables at year ended 31 March 2024.
		EBIT = Profit/(Loss) before tax + Finance cost								
		Capital Employed = Total Assets - Total Current liabilities								
(k)	Return on Investment	Net Profit / Net Investment	173.63	2,523.22	455.56	2,410.61	0.07	0.19	64%	Decrease on account of reduction of profit during the year.
		Net Profit = Profit/(Loss) before tax								
		Net Investment = Total equity								



56 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

57 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

58 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 of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Equity (i)	2,523.22	2,410.61
Borrowings	2,147.37	1,703.65
Less: cash and cash equivalents	(0.36)	(5.39)
Adjusted Net Debt (ii)	2,147.01	1,698.26
Adjusted Net Debt to Equity ratio (ii)/ (i)	85%	70%

No material changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

- 59 As per provisions of section 135 of Companies Act 2013, the Company was required to spend INR NIL (March 31, 2023: INR 2.80 lakhs) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent INR NIL (March 31, 2023: INR 3.02 lakhs) towards Corporate Social Responsibility activities as under:

A.	Particulars	As at March 31, 2024	As at March 31, 2023
	Gross Amount required to be spent as per Section 135 of the Act	-	2.80
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	-	2.80
B.	Amount approved by the Board to be spent during the year	-	3.25
C.	Amount spent during the year on		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	-	3.02
D.	Details related to amount spent		
	Particular	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
	(i) Construction / acquisition of any asset	-	-
	(ii) On purpose other than (i) above		
	- Prime Minister's National Relief Fund	-	0.25
	- Education purpose	-	2.77
	Total	-	3.02



E. Details of excess CSR expenditure

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

F. Disclosures on Shortfall

Particulars	March 31, 2024	March 31, 2023
Amount Required to be spent by the Company during the year	-	2.80
Actual Amount Spent by the Company during the year	-	3.02
PY Excess adjusted during the CY	-	-
Shortfall/(Excess) at the end of the year	(0.22)	(0.22)
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	-	-

60 The Code on Social Security 2020

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.

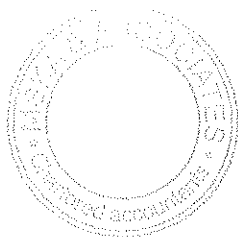
61 As at March 31, 2024, the Company did not have any outstanding long term derivative contracts (previous year INR NIL).

62 For the year ended March 31, 2024, the Company is not required to transfer any amount (previous year INR NIL) to the Investor Education & Protection Fund.

63 There were no whistleblower complaints received during the year ended March 31, 2024.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W

Abhay A. Fante
Partner
Membership No. 049939



Place: Mumbai
Date : May 09, 2024

For and on behalf of the Board of Directors
DIGISOL SYSTEMS LIMITED
CIN : U31909GA2016PLC012970

K. R. Naik
Wholetime Director
DIN: 00002013

Place: Mumbai
Date : May 09, 2024

Arati Naik
Director
DIN: 06965985

