



Date: September 07, 2023

To,

BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001 Scrip Code- 532365	National Stock Exchange of India Limited Exchange Plaza, C— 1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai — 400051 Symbol - DSSL
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Sub.: Annual Report of Dynacons Systems & Solutions Limited for Financial Year 2022-23

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report alongwith Notice convening the 28th Annual General Meeting (AGM) to be held on Saturday, September 30, 2023, at 3:00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") of Dynacons Systems & Solutions Ltd for Financial Year 2022-2023.

Kindly take the same on your record and acknowledge receipt of the same.

Thanking You,
Yours truly,

For Dynacons Systems and Solutions Ltd.

Pooja Patwa
Company Secretary &
Compliance Officer
Mem. No.-A60986

Dynacons Systems & Solutions Limited

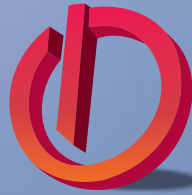
CIN NO : L72200MH1995PLC093130

Certified ISO 9001:2008, ISO 14001:2015, ISO 20000-1:2011, ISO 27001:2013, CMMI Maturity Level 3

Registered Office : 78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle West, Mumbai - 400 056.

Corporate Office : 3rd Floor, A Wing, Sunteck Centre, Subhash Road, Near Garware Chowk, Vile Parle East, Mumbai - 400 057.

+91-22-66889900 | +91-22-26716641 | www.dynacons.com | sales@dynacons.com | 1860-123-4444



DYNACONS
SOLUTIONS THAT EMPOWER

28TH ANNUAL REPORT - 2023

ITS ALL ABOUT BEING SMART



**DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION**

BOARD OF DIRECTORS

Mr. Shirish M. Anjaria	Chairman cum Managing Director
Mr. Parag J. Dalal	Executive Director
Mr. Dharmesh S. Anjaria	Executive Director
Mr. Viren Shah	Director
(Ceased to be director w.e.f. September 30, 2022)	
Mrs. Archana Phadke	Director
Mr. Jitesh Jain	Director
Mr. Vijay Doshi	Director
(Appointed w.e.f. September 05, 2022)	

COMPANY SECRETARY

Mr. Ravishankar Singh
(Resigned w.e.f. June 30, 2022)
Ms. Pooja Patwa
(Appointed w.e.f. July 01, 2022)

REGD. OFFICE

78, Ratnajyot Industrial Estate,
Irla Lane, Vile Parle (W),
Mumbai – 400 056

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd.,
S6-2, 6th Floor, Pinnacle Business Park
Next to Ahura Centre
Mahakali Caves Road,
Andheri East,
Mumbai - 400093

PRINCIPAL BANKERS

HDFC Bank
Yes Bank

AUDITORS

M/s. M S P & Co.
Chartered Accountants
Mumbai.

SECRETARIAL AUDITORS

M/s. HSPN & Associates LLP
Mumbai

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Our Company

Dynacons Systems & Solutions Ltd. is an IT company with global perspectives with its headquarters at Mumbai and branches all over India. Established in 1995, Dynacons undertakes all activities related to IT infrastructure including Infrastructure Design and Consulting Services, Turnkey Systems Integration of large Network and Data Centre Infrastructures including supply of Associated Equipment and Software, Onsite and Remote Facilities Management of Multi Location Infrastructure of Domestic Clients.

The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure. The Company provides end-to-end technology and technology related services to corporations across industry verticals. The Company has deep domain knowledge across industry sectors and technology expertise across traditional and new age technologies.

Vision

To be a global IT solutions provider, delivering, reliable & quality products & services to all customers at competitive costs with international standards of customer care thereby creating superior value for all stakeholders.

Mission

To be an comprehensive end-to-end IT Infrastructure Solutions Provider providing world-class information technology solutions & services to enable our customers to serve their customers better.

Certifications



ISO-9001:2015



ISO-20000-1:2018



ISO-27001:2022



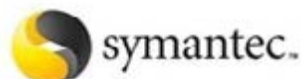
ISO-14001:2015



CMMI Maturity Level 5



We Work With



Year Gone By

Dynacons wins the **BEST PERFORMANCE AWARD** for the Year 2022 from a Hewlett Packard Enterprise (HPE) & Nutanix.

Dynacons recognized as **ONE OF THE LEADING MID-CORPORATES OF INDIA 2023** by Dun & Bradstreet for the 3rd consecutive year.

Dynacons wins the **SPECIAL SECURITY AWARD** at the Premier100 Awards and Symposium organised by Foundry.

Dynacons recognized in the **FINANCIAL TIMES ASIA - PACIFIC HIGH-GROWTH COMPANIES 2022 LIST** for the 3rd time.

Dynacons ranked in Economic Times Growth's Champions 2022 list - ranking of **THE FASTEST GROWING COMPANIES IN INDIA** for the 3rd consecutive year.



In News



D & B Publication



CRN Magazine



Economic Times
Coffee Table Book



Channel World
Magazine Cover Story

Our Awards



Hall of Fame



Datacenter Award



Solution Champ



Security Award



Hyperconverged
Infrastructure
Award



HPE Champion
Award



Banking Deal
Of The Year Award

CSR Activities



Our Offices

Multi - Centre Support

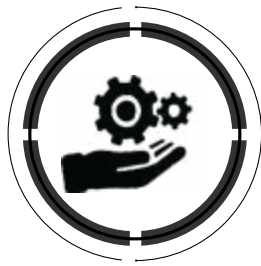
Ahmedabad	Chandrapur	Hubli	Miraj	Satara
Akola	Cuttack	Hyderabad	Mumbai	Sawantwadi
Aurangabad	Daman	Indore	Madurai	Solapur
Bangalore	Delhi	Jaipur	Mangalore	Surat
Baroda	Dehradun	Jalgaon	Mysore	Salem
Bhilai	Dhule	Jabalpur	Nashik	Trichi
Bhopal	Gandhidham	Jamnagar	Nagpur	Trivandrum
Bhubaneshwar	Goa	Jamshedpur	Nanded	Udaipur
Bikaner	Gurgaon	Jodhpur	Patna	Varanasi
Bilaspur	Guwahati	Kandla	Pune	Vishakhapatnam
Bokaro	Gwalior	Kanpur	Pondichery	Vijaywada
Calicut		Kochi	Ratnagiri	++ Many More
Chandigarh		Kolkata	Raipur	
Chennai		Kolhapur	Ranchi	
Cochin		Lucknow	Ratlam	
Coimbatore		Ludhiana	Rajkot	
			Roha	



Our Offerings



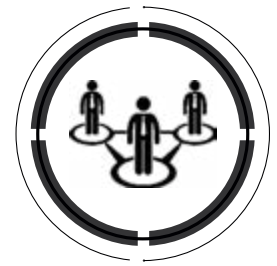
System
Integration



Managed
Services



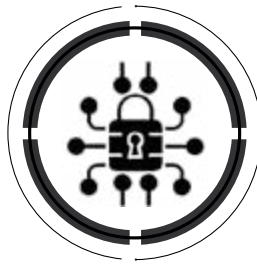
Datacenter
Solutions



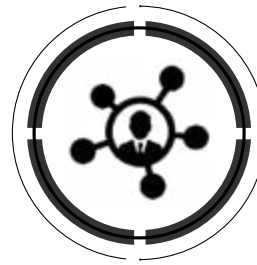
Networking
Solutions



Workplace
Solutions



Security &
Surveillance
Services



Project
Management
& Execution



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 30TH, 2023 AT 03:00 P.M. INDIAN STANDARD TIME (“IST”) BY MEANS OF VIDEO CONFERENCING (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”) IN ACCORDANCE WITH THE RELEVANT CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended as at March 31, 2023, the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend as the final dividend on Equity shares for Financial Year 2022-2023.
3. To appoint a Director in place of Mr. Shirish Anjaria (Din: 00444104), who retires from the office of Chairman cum Managing Director by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Remuneration of Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendation of the Audit Committee and the approval of the Board of Directors, the Company hereby ratifies the remuneration of ₹ 1,50,000/- per annum (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses, to be paid to M/s. Sarvottam Rege & Associates, Cost Accountants (Firm Registration No. 104190), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

**By Order of the Board of Directors
For Dynacons Systems & Solutions Ltd.**

Shirish M. Anjaria
Chairman cum
Managing Director
DIN No: 00444104

Parag J. Dalal
Executive Director
DIN No: 00409894

Date: September 04, 2023

Place: Mumbai

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN No: L72200MH1995PLC093130

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 11/2022 dated December 28, 2022, 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021, 21/2021 and 02/2022 dated January 13, 2021, December 14, 2021 and May 15, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated January 15, 2021 and May 13, 2022 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at the Annual General Meeting for Item no. 3 is furnished as annexure to the Notice.
3. Pursuant to the provisions of the Companies Act, 2013 (“Act”), a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. At the 27th AGM held on September 30, 2022, the members approved re-appointment of M/s MSP & Co., Chartered Accountants Firm (Firm Registration No.107565W) as Statutory Auditors of the Company to hold office from the conclusion of 27th AGM till the conclusion of the 32nd AGM. M/s. MSP & Co., will complete their present term as Statutory Auditors of the Company on conclusion of the AGM to be held in 2027.
6. The Company has not provided any stock options to the employees for the year under review. However, the Nomination and Remuneration Committee in its meeting held on August 10, 2022, had approved grant of 33,500 stock options under ‘Dynacons - Employees Stock Option Plan 2020’ (ESOP — 2020). Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2023 is available at the website of the Company at www.dynacons.com. The certificate from the Secretarial Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Regulations would be placed at the ensuing Annual General Meeting for inspection by members.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to investor@dynacons.com with a copy marked to evoting@nsdl.co.in

8. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Sunday, the 24th day of September, 2023 to Saturday, the 30th day of September, 2023. (both days inclusive).
9. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) and are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or BSPL for assistance in this regard.
10. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the annual general meeting so that the required information can be made available at the Company.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, the Members are requested to provide their e-mail id to their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company or Registrar and Share Transfer Agent in case the shares are held by them in physical form in order to facilitate easy and faster dispatch of Notices of the general meetings and other communication by electronic mode from time to time.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, BSPL in case the shares are held by them in physical form.
15. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.dynacons.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
16. SEBI vide its notification SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or BSPL, for assistance in this regard.
17. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
18. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed

rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/BSPL (if shares held in physical form). Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

19. Members who hold shares in dematerialized form are requested to login with their DP ID and Client ID numbers for easy identification of attendance at the meeting.
20. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE417B01040.
21. Annual Listing fees for the year 2022-2023 has been paid to all stock exchange wherein shares of the Company are listed.
22. As per the provisions of Section 72 of the Act and SEBI circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.dynacons.com. Members holding shares in physical form may submit the same to BSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
23. As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred /traded only in dematerialized form. Members holding shares in physical form are advised to avail the facility of dematerialization.
24. SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021 and SEBI/ HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023 ("SEBI Circulars") mandated furnishing of Permanent Account Number ('PAN'), KYC details viz. Contact Details (Postal Address, Mobile Number and E-mail), Bank Details, Nomination etc. by holders of physical securities. The Company had sent letters for furnishing the required details.

Any service request shall be entertained by BSPL only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after October 1, 2023, the folio(s) shall be frozen by BSPL in compliance with the aforesaid SEBI Circulars. If the folio(s) continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by BSPL/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

1. In compliance with the MCA Circulars and SEBI Circular dated January 5, 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.dynacons.com, website of the Stock Exchanges, i.e., National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com and is also available on the website of NSDL (agency for providing the Remote e- Voting facility) i.e. www.evoting.nsdl.com.
2. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) with details of folio number and attaching a self-attested copy of PAN card at info@bigshareonline.com.

- b) Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participant.
25. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
26. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
27. **Voting through electronic means:**
- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
 - II. The remote e-voting period commences on Monday, September 25, 2023 (9:00 a.m. IST) and ends on Friday, September 29, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, September 23, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - III. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
 - IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
 - V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
 - VI. The details of the process and manner for remote e-voting are explained herein below:

A. How do I vote electronically using NSDL e-Voting system?


The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="783 1073 1070 1259" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hs@hspnassociates.in, with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual for Shareholders, available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to investor@dynacons.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@dynacons.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

C. Other Instructions:

- i. The remote e-voting period commences on Monday, September 25, 2023 (9:00 a.m. IST) and ends on Friday, September 29, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, September 23, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of September 23, 2023.
- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- v. Mr. Hemant Shetye, Company Secretary (FCS No.2827 and COP 1483) and Designated Partner of HSPN & Associates LLP, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner and he has consented to act as a scrutinizer.
- vi. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL www.evoting.nsdl.com within two working days of the passing of the resolutions at the Twenty Eighth AGM of the Company on September 30, 2023 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, Bigshare Services Private Limited at info@bigshareonline.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

D. Instructions for Members for Attending AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) are as under:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@dynacons.com from September 25, 2023 (9:00 a.m. IST) to September 28, 2023 (5:00 p.m. IST). The same will be replied by the company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

Other Instructions

28. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
29. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors
For Dynacons Systems & Solutions Ltd.**

Shirish M. Anjaria
Chairman cum
Managing Director
DIN No: 00444104

Parag J. Dalal
Executive Director
DIN No: 00409894

Date: September 04, 2023

Place: Mumbai

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN No: L72200MH1995PLC093130

EXPLANATORY STATEMENTS:

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 4 of the accompanying Notice dated September 04, 2023.

ITEM NO. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company. On the recommendation of the Audit Committee, at its meeting held on September 04, 2023, the Board considered and approved the re-appointment of M/s. Sarvottam Rege & Associates, Cost Accountants (Firm Registration No. 104190) as the Cost Auditor for the fiscal year 2023-24.

Further the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. The Board on recommendation of Audit Committee have approved a remuneration of ₹ 1,50,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses to M/s. Sarvottam Rege & Associates, Cost Accountants (Firm Registration No. 104190) for conducting the Cost Audit for the fiscal year 2023-24.

Accordingly, the consent of the members is sought to ratify the remuneration payable to the Cost Auditor for the Financial Year 2023-24.

Further the Company has received their eligibility and consent to act as cost auditors.

The Board of Directors recommends the Ordinary Resolution for the approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 4 of the Notice.

Details of Directors appointment/re-appointment/retiring by rotation, as required to be provided pursuant to the provisions of (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

Particulars	Mr. Shirish Anjaria
Director Identification Number (DIN)	00444104
Date of Birth	30/09/1944
Date of First Appointment on the Board	26/09/1995
Experience in functional Area	Shirish M. Anjaria is a business leader with successful & fruitful career of over five decades. He has wide experience across industries and has rich exposure in Business Management, Corporate Affairs and customer relations. Under his Chairmanship, Dynacons has forged strategic alliances with global IT majors such as IBM, Intel, HP, Microsoft, Lenovo, Sony, Cisco etc. He was also the founder of the Millenium PC initiative which was recognised by Intel, USA.
Qualification	Graduate in Science and holds a post graduate degree in Law. He is a Certified Associate of the Federation of Insurance Institutes.
Directorship in other Companies (Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2022-23
Membership of Committees of other public limited companies (Audit Committee and Shareholder's/ Investor's Grievance Committee only)	
No. of Shares held in the Company	
The number of Meetings of the Board attended during the F.Y. 2022-23	
Remuneration Proposed	Upto ₹ 17,50,000/- per month
Remuneration Paid	₹ 6,50,000/- per month
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term “relative” as per Section 2(77) of the Act and per SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

**By Order of the Board of Directors
For Dynacons Systems & Solutions Ltd.**

Shirish M. Anjaria
Chairman cum
Managing Director
DIN No: 00444104

Parag J. Dalal
Executive Director
DIN No: 00409894

Date: September 04, 2023

Place: Mumbai

Registered Office

78, Ratnajyot Industrial Estate,
Irla Lane, Vile Parle (W),
Mumbai – 400 056

CIN No: L72200MH1995PLC093130

Directors Report

Your Directors are pleased to present the **Twenty Eighth** Annual Report on the business and operations of the Company for the year ended March 31, 2023.

1. Financial Highlights

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2023	Year ended 31/03/2022	Year ended 31/03/2023	Year ended 31/03/2022
Gross Income	80,644	65,584	80,677	65,584
Profit Before Finance Cost and Depreciation and Amortisation Expenses	5,683	3,234	5,692	3,231
Provision for Depreciation and Amortisation Expenses	136	136	136	136
Profit Before Finance Cost	5,547	3,099	5,555	3,095
Finance Cost	1,087	893	1,087	893
Net Profit Before Tax	4,460	2,205	4,468	2,202
Provision for Tax	1,123	559	1,123	559
Net Profit After Tax	3,338	1,646	3,345	1,643
Balance of Profit brought forward	4,672	3,077	4,675	3,083
Balance available for appropriation	7,958	4,672	7,969	4,675

2. Management Analysis and Discussions

Company performance:

Over the past couple of years, we've witnessed a period marked by a change in business dynamics. These years have brought about significant changes to the world, our business, and our personal lives. Organizations worldwide were compelled to swiftly and drastically alter their operational methods, locations, and approaches to serving their customers and stakeholders.

In the face of these widespread transformations, your company has displayed remarkable resilience and adaptability, emerging stronger than ever before. We responded promptly and demonstrated exceptional fortitude in confronting an unprecedented crisis. While the world grappled with chaos and disruption, we achieved sustained growth, serving as the driving force of our vibrancy and dynamism.

Beyond the surface-level statistics, we find satisfaction in the comprehensive nature of our growth, which has been broad-based across all our industry sectors and major markets. Additionally, we're pleased to observe a steady increase in the number of digital transformation projects in our portfolio, further illustrating our commitment to staying ahead in a rapidly evolving business landscape.

We are pleased to share that your company has done well in a volatile global environment in the year gone by. In FY 2023, your company delivered Our Standalone revenues of ₹ 80,644 Lakhs as compared with ₹ 65,584 Lakhs during the previous year, reflecting a growth of 23%. The profit before tax stood at ₹ 4,460 Lakhs as compared to ₹ 2,205 Lakhs in the previous year. The Company has made a provision of tax totaling to ₹ 1,123 Lakhs and the profit after tax stood at ₹ 3,338 Lakhs for the current year, an increase of 103 % over the previous year. On a consolidated basis, the revenue from operations for FY 2023 at ₹ 80,677 lakhs was higher by 23% over the previous year. The Company has made a provision of tax totaling to ₹ 1,123 Lakhs and the profit after tax stood at ₹ 3,345 Lakhs for the current year, an increase of 104% over the previous year.

The growth was driven by accelerated spending attributed to the Companies on digital transformation initiatives, cloud adoption and increased outsourcing. The outperformance may be attributed to the Companies partnerships with its

customers, its agile organization structure, and a very stable management team; its investments in talent development, and in building newer capabilities that have helped expand wallet share with clients; and better execution resulting in greater customer satisfaction.

Our vision is to build a globally-respected organization delivering the best-of-breed business solutions, leveraging technology, delivered by the best-in-class people. We are guided by our value system which motivates our attitudes and actions. Over the past year, we have been working relentlessly to rebuild a people organization to operate with the speed and agility of a startup. We are seeking to be agile in our responses to a rapidly changing external environment, and with it to increase the velocity of ideas and innovations we generate and execute.

Industry Overview

The global landscape is currently witnessing significant transformations. Geopolitical tensions, such as the Russia-Ukraine conflict, escalating inflation rates, and volatile commodity prices, have led to a deceleration in global economic growth and heightened stress in the overall economic sphere. Despite these challenges, investments in IT services have remained steadfast. Cloud migration initiatives continue at a robust pace, and clients persist in launching transformative projects. The heightened uncertainty in the business environment has rendered clients more receptive to IT expenditure and the restructuring of business operating models. These transformations aim not only to deliver substantial efficiencies but also to enhance agility and resilience.

The geopolitical turmoil has instigated a shift in global supply chains. Companies are reevaluating their supply chain strategies to prioritize resilience and efficiency. New global supply chain ecosystems are emerging, with India assuming a pivotal role. This transformation is propelled by substantial investments in technology, enabling the establishment of "digital-first" manufacturing and supply chain operations, as well as fostering ecosystem integration with partners.

India's technology Industry is expected to register significant growth. The Information Technology Industry is one of the leading sectors in India, sharing 9.3% of the country's GDP, making it one of the biggest sectors contributing to India's economic growth. The company's growth prospects for the current year are underpinned by several key demand drivers. These include the modernization of IT infrastructure, the facilitation of cloud adoption and migration, digital transformation initiatives, the modernization of data centers, the evolution of digital workplaces, bolstering cybersecurity measures, and the adoption of artificial intelligence. Furthermore, traditional outsourcing, vendor consolidation, multi-service agreements, and the AI/ML-driven transformation of IT processes are poised to further fuel the company's growth trajectory.

Our remarkable business performance over the past year underscores our intrinsic resilience and adaptability. This success can be attributed to two pivotal factors. First, our market share has expanded due to our exceptional capabilities and elevated customer satisfaction levels. Second, our increased participation in our customers' growth and transformation initiatives, which represent a burgeoning segment of their technology investments, has also played a substantial role. Our swift responsiveness, agility, and capacity to embrace change have remained the bedrock of our achievements.

Business Overview

The IT industry in India has consistently led the charge in technological innovations. Throughout the fiscal year, this sector has witnessed dynamic transformations driven by technological advancements, evolving customer demands, and the ever-shifting global market dynamics. Notably, the IT industry has been undergoing a substantial digital revolution. Businesses spanning various sectors have made substantial investments in technology to streamline their operations, elevate customer experiences, and maintain a competitive edge.

The rollout of 5G networks has commenced in various regions, promising faster and more reliable connectivity. This groundbreaking technology has the potential to revolutionize sectors like healthcare, IoT, and autonomous vehicles by enabling real-time data transmission and low-latency applications.

Within the context of ongoing enterprise digital transformation, we observe a sustained emphasis on cloud adoption, network modernization, enhancing the customer experience, and transforming business models. These initiatives reflect our clients' ambitions to steer clear of technological obsolescence, transition into intelligent enterprises, introduce innovative products and services, orchestrate ecosystems, and provide immersive, hyper-personalized experiences.

Our role is to empower clients to accelerate and broaden their technology-led innovations, enabling them to distinguish themselves and drive growth. Additionally, we support them in adapting to evolving circumstances, leveraging technology to boost efficiency, agility, and resilience while maintaining a harmonious equilibrium between growth and stability. Recognizing that technology adoption remains a pivotal catalyst for business growth and transformation for our clients, we remain laser-focused on addressing their needs by cultivating fresh capabilities that facilitate swift technology integration. Our company remains unwavering in its commitment to enhancing its talent pool, cultivating strategic partnerships with key technology providers, expanding the innovation ecosystem, and delivering cutting-edge solutions.

Your company stood at the forefront of a remarkable surge in digital technology adoption, driven by businesses' fervent pursuit of cost structure revamps, fortified resilience and adaptability, personalized experiences for customers and employees, and the launch of innovative products and services. Enterprises actively sought technological solutions to not only thrive in the evolving landscape but also to gain a decisive competitive edge. Their overarching objective was to redefine the future of work, learning, and transactions while infusing unwavering resilience into their operations and reinforcing the security of their infrastructure platforms and endpoints.

The Company has cultivated a robust customer base, harnessed diverse technical talent, and constructed a proficient service delivery infrastructure. Dynacons engages in a comprehensive array of IT infrastructure activities, spanning from intricate infrastructure design and consultative services to intricate systems integration, and the establishment of extensive Network and Data Centre infrastructures, complete with the provision of associated hardware and software resources. Their service portfolio extends to advanced technologies such as HyperConverged Infrastructure (HCI), Private and Public Cloud deployments, Software Defined Network (SD-WAN), Software Defined Storage (SDS) solutions, Network Infrastructure design and setup, Virtual Desktop Infrastructure (VDI) Solutions, as well as the meticulous onsite and remote facilities management of multi-location infrastructures for domestic clients.

Moreover, the Company boasts profound domain knowledge across various industry sectors and exhibits adeptness in both traditional and cutting-edge technologies. This deep contextual understanding of their customers' businesses serves as a foundation for the creation of unique, high-impact solutions meticulously designed to yield discernibly differentiated business outcomes. Dynacons offers an end-to-end spectrum of technology and technology-related services catering to corporations spanning diverse industry verticals. Their service models encompass Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS). Dynacons' Enterprise Services encompass a wide spectrum of offerings, including Infrastructure Managed Services, Breakfix Services, Managed Print Services, Cloud Computing solutions, Systems Integration Services, and Applications Development and Maintenance.

We consistently seek out fresh opportunities within our customers' businesses, constantly striving to enhance their value proposition. Our proactive approach involves strategic investments in innovative capabilities and the introduction of novel solutions to tap into these potential growth areas. Our overarching objective is to drive revenue growth, embrace cutting-edge technology-driven business models, diversify income streams, cater to diverse customer segments, and fortify our existing client relationships.

Our company's name, Dynacons, encapsulates our dynamic nature and guides everything we do. At our core, we thrive on a dynamic growth trajectory fueled by our 3C approach: Concept, Capability, and Culture. Our extensive portfolio of services covers the entire IT infrastructure lifecycle, from Planning and Building to Running and Monitoring. We are unwavering in our commitment to constantly evolve our concepts, expand our capabilities, and cultivate a vibrant company culture. These principles underpin every facet of our operations at Dynacons, ensuring that we remain at the forefront of innovation and value creation. Over time, this strategy has resulted in deep and enduring customer relationships, a vibrant and engaged workforce, industry-leading profitability, a steady expansion of the addressable market, and a proven track record in delivering longer term stakeholder value.

Enterprises are increasingly recognizing the strategic advantages of IT vendor consolidation. In an era marked by rapid technological evolution, businesses are finding that streamlining their supplier relationships can lead to enhanced efficiency, cost savings, and improved overall performance. By reducing the number of IT vendors they engage with, enterprises can simplify their procurement processes, negotiate more favorable terms, and gain a deeper understanding of their vendor ecosystem. By consolidating the technology infrastructure with a single strategic partner, clients not only achieve greater accountability, but also reduce complexity and derisk their larger business transformations. Moreover, it enables enterprises to

create a more standardized and integrated IT environment, enhancing cybersecurity and compliance efforts. As the business landscape continues to evolve, IT vendor consolidation is emerging as a strategic imperative for enterprises seeking to stay agile and competitive.

We positioned ourselves as trusted technology advisors, facilitating the adoption of cutting-edge solutions, including cloud computing, digital transformation, IoT, networking, and IT security. Our business model and strategy have resulted in deep and enduring customer relationships, a vibrant and engaged workforce, a steady expansion of its addressable market, a strong reputation and a proven track record in brand value. Customer-centricity is at the core of our business model, organization structure and investment decisions. The philosophy has been to delight them by delivering superior outcomes, and build strong, enduring relationships. Additionally, the company seeks to expand and deepen customer engagements by continually looking for new areas in the customer's business where the company can add value, proactively investing in building newer capabilities, and launching new services and solutions. Our technology offerings, structure, and delivery expertise to bring together different capabilities into a seamless service delivery team, helped us win several large deals throughout the year.

Cloud transformation has remained a top priority for enterprises, with an increased emphasis on execution in recent times. Enterprises are looking to drive the modernization and migration of their larger, more complex workloads. Our competitive edge in this phase of the cloud adoption cycle is underpinned by the breadth and depth of our cloud expertise, our scalability, deep domain knowledge, and our strong partnership credentials with major cloud providers.

Cloud technologies continue to be a driving force behind innovation in the corporate world, as they provide access to powerful resources in computing, data, and networking on a significant scale. The adoption of cloud-based services, particularly Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) models, is on the rise. In response, our company has proactively expanded its cloud solutions portfolio, fostering strategic partnerships with leading cloud providers to meet the evolving needs of businesses.

During the previous year we won the prestigious contract worth ₹ 116 Crores for the setup of Private Cloud solution for a leading Public Sector Bank. The order covers Supply, Installation, configuration, implementation and maintenance for Hyper-Converged Infrastructure and Software Solution for the Bank's On-Premises Private Cloud. The private cloud solution will help standardize and automate its processes. The Hyper-Converged IT infrastructure will allow the bank to scale faster, offer technology enhancements quicker, reduce operational complexity, and automate application provisioning and deployment.

Cybersecurity remained a paramount concern within the IT industry, marked by an escalating frequency and heightened sophistication of cyberattacks, which posed significant threats to the integrity of organizations' data and operational continuity. Among these threats, ransomware attacks gained prominence, with notable incidents targeting critical infrastructure and corporate entities. Consequently, there emerged an imperative need to reinforce cybersecurity measures, encompassing substantial investments in cutting-edge threat detection technologies, extensive employee training programs, and rigorous adherence to evolving data protection regulations.

The burgeoning landscape of cybersecurity threats compelled organizations to fortify their digital defenses. In response to these challenges, we strategically expanded our cybersecurity portfolio, placing particular emphasis on delivering services focused on threat detection, prevention, and incident response. Our strategic partnerships with leading cybersecurity solution providers played a pivotal role in augmenting our capacity to offer robust and holistic security solutions. Your Company has won the prestigious Next-Gen Cyber Security Operations Centre project for the design, setup, installation, testing, and support of Cyber Security Solution for one of the Smart City projects in India.

Software-Defined Wide Area Networking (SD-WAN), represents a transformative technology that has revolutionized IT infrastructure control and management. It achieves this by delivering a virtual WAN architecture that securely connects users to their applications, offering a multitude of advantages in the process. These benefits encompass streamlining branch office connectivity, enhancing network reliability, optimizing application performance, and bolstering network agility. Furthermore, SD-WAN goes the extra mile by reducing overall expenses, thanks to its efficient resource utilization and automated branch and WAN architecture, which are essential in meeting contemporary IT business objectives. In essence, SD-WAN stands as a game-changing innovation that simplifies IT resource management while driving cost efficiency and agility in network infrastructure. The Company has won several nationwide large deployments of SD-WAN solutions.

Digital transformation has become an integral part of the fabric of enterprises, governments, and societies, with its accelerated progress across industries fueled by the pandemic. This evolution necessitated not only strengthening our offerings but also deepening our understanding of the latest technology trends. The fast-paced tech landscape and the demand for highly skilled professionals proficient in both traditional and digital technologies are compelling businesses to partner with third parties for their transformative needs. Your company remains a vital player in this landscape, guiding clients in adopting new technologies to initially navigate crises and subsequently driving innovation and business growth on a larger scale.

In this era of profound technological change, where virtual work arrangements have enabled inclusivity and flexibility, technology continues to reshape our approach to life and work. This digital transformation, spurred by the pandemic, underscores the importance of staying updated on emerging tech trends while fortifying our own offerings. As we face an uncertain future, characterized by unpredictability, it is essential to recognize the opportunities arising from this rapid digital acceleration. These opportunities offer the potential for differentiation and market leadership in an ever-evolving landscape. Your company has won several digital transformation projects during the previous year. Such engagements are material, multi-year transformation engagements which when completed, result in resilient, future-ready digital technology stacks that enable leaner, more agile operations and very importantly, serve as a scalable foundation for their innovation and growth.

Infrastructure Management Services (IMS) have emerged as a pivotal component of modern enterprises' operational strategies. The surge in demand for IMS can be attributed to several factors, with the outsourcing of business and IT operations being a prominent catalyst. Enterprises increasingly turned to outsourcing for three compelling reasons: firstly, it allowed them to liberate both human capital and financial resources, thereby redirecting them towards critical growth and transformation initiatives. Secondly, the scarcity of talent, particularly in the realm of digital technologies, prompted organizations to seek external expertise, ensuring the efficient management of their infrastructure. Lastly, the pursuit of leaner and more resilient IT and business operations became a pressing concern, as businesses aimed to streamline processes and enhance overall agility. In this context, Infrastructure Management Services have not only provided cost-effective solutions but also contributed significantly to the overall competitiveness and adaptability of enterprises in an ever-evolving digital landscape.

Dynacons provides Infrastructure Management Services (IMS) to oversee the vital IT systems of leading and forward-thinking organizations. Our Enterprise Services encompass a comprehensive range of Enterprise IT and Office Automation Services, such as Infrastructure Managed Services, Break-fix Services, Managed Print Services, Cloud Computing, Systems Integration Services, and Applications Development and Maintenance. Our IT infrastructure management services come with a strong track record. We've not only successfully executed complex IT transformation projects but have also ensured efficient IT infrastructure services for our enterprise clients. Our history is marked by successful delivery of high-complexity projects, high levels of customer satisfaction, and innovative IT solutions.

Dynacons' IMS offerings serve a diverse array of industries, and we are actively enhancing our capabilities in Automation and AI to enhance service delivery. This is a strength highly valued by our clients, helping them become more efficient. Our IT infrastructure management services provide the expertise, talent, and tools needed to support the creation, operation, and management of cutting-edge IT infrastructure.

Recent shifts and challenges have transformed the modern workforce, reshaping how people collaborate and carry out their tasks. Our managed IT workplace services are designed to adapt to these changes, providing the right-sized infrastructure and support needed for today's dynamic work environment. This approach not only enhances the monitoring of next-generation workplaces but also reduces incident and problem tickets. Many companies are now harnessing AI and RPA technologies to streamline operations, aiming to improve efficiency further. Additionally, there is a growing focus on offering support and development opportunities to employees, including reskilling efforts. As remote work becomes more prevalent due to the pandemic, the significance of data security and privacy has intensified, alongside challenges related to increased IT workloads, potential productivity loss, and the absence of in-person camaraderie.

Our comprehensive workplace technology solutions are centered on elevating user satisfaction, enhancing freedom, and boosting productivity, all while optimizing the return on investment in workplace technologies. By embracing our workplace technology services, end-users can anticipate greater automation and collaboration. Our Workplace Solutions cover the entire lifecycle, encompassing sourcing and logistics, integration, user profiling and enablement, service desk and global field support, remote/branch site optimization, hybrid messaging, enterprise mobile enablement, managed print services, virtualization, desktop as a service, and operating system migration. We have a proven track record of working closely with numerous

large enterprises, offering a complete range of Workplace solutions to ensure a seamless work-from-home experience. Our company has successfully secured multiple contracts with prominent BFSI and global enterprises to meet their workplace solution needs.

The company's dedication to providing excellent service, willingness to invest in customer relationships, commitment to achieving meaningful results, and a proven history of executing with excellence have consistently led to high levels of customer satisfaction and long-lasting client partnerships. These enduring connections result in a significant amount of repeat business, bringing increased visibility and predictability to our business model. As a result, our company experiences a steady influx of projects.

Through our comprehensive range of services and solutions, we assist our customers in navigating their digital transformation journeys. We've adopted a four-pronged approach to reinforce our relevance to clients and drive rapid value creation: scaling our digital capabilities and remaining agile, upskilling our workforce, expanding our portfolio of offerings, and revitalizing our core IT infrastructure. Our Consistent growth is testimony to the strength of our business model and our ability to reinvent ourselves in an ever-evolving technology landscape to stay relevant to our customers while remaining focused on creating value for all our stakeholders.

Awards, Certifications and Recognitions

We are continuing to build deeper relationships with our clients and growing the trust they have in us. As a consequence of our deep capabilities and the trust of our clients in us, we have emerged amongst the fastest growing companies in the industry. This is seen in the number of awards that your company has consistently received for its sustained growth.

Your Company had been selected to be an Alliance partner in the Global IT Alliance (GITA). GITA is a global alliance of validated IT companies united by their shared goal of offering customers consistent and exceptional service quality in their cross-border projects. The Global IT Alliance is comprised of six partners with over 130 sites spread across 24 countries on all continents, The GITA Mission – to Provide Global Reach with Local value, service and experience to enable successful IT solutions for multinational organisations. Joining GITA as an Alliance partner will offer Dynacons a global platform for offering solutions to their customers and will also allow them to work on the opportunities brought by the other GITA members in India.

Dynacons' has been ranked 97th in Economic Times India's Growth Champions 2022 list of the fastest growing companies among all Industries in India for the third consecutive year. The Economic Times India's Growth Champions 2022 list is an initiative that aims to highlight true accelerators of the Indian economy. It represents the crème-de-la-crème of companies that have mastered the art of growing from strength to strength, year after year.

Dynacons has been recognised in the Financial Times list of Asia Pacific High Growth Companies 2022 released by Financial Times in partnership with research firm, Statista for the third time. Dynacons has been ranked for the third time alongside major technology players. The research considered businesses in sectors ranging from fintech, property, advertising, support services and ecommerce, technology was the most represented sector.

Your Company won the most prestigious Special Security Award amidst industry leaders & experts. This was the 13th Edition of the Premier 100 Awards and Symposium, and Foundry has been recognizing IT companies excelling in specific domain with special awards at each edition. The Security Award recognises the leaders in Information Security who are helping their customers improve infrastructure by empowering the security posture, while helping them to control costs & enhance productivity.

Your Company has been recognized as a part of "Leading Mid-Corporates of India 2022" by Dun & Bradstreet for the second consecutive year. Dun & Bradstreet felicitated leading Mid-corporate and SME business in India across various award categories at the "Business Enterprises of Tomorrow 2022" event hosted by them. This is an initiative by Dun & Bradstreet for recognizing and honoring the leading Mid-corporates and SMEs in India. The theme for the Business Enterprises of Tomorrow 2022 event was 'Time for India's New-Age Entrepreneurship'.

Dynacons has won the Award for the Best Performance for the Year 2022, from the Global IT Majors, Hewlett Packard Enterprise (HPE) and Nutanix. This award was presented at "Top Partners Meet 2022" held at Sun City, South Africa. The HPE

partner awards recognize select partners from across the ecosystem for their outstanding performance, their commitment to customer success & satisfaction and focus on growth & excellence.

Strengths

We believe that we are well-positioned for the principal competitive factors in our business. With more than two decades of experience in managing the systems and workings of the enterprises, we believe we are uniquely positioned to help them steer through their digital transformation. Our work across industries, value chains, and geographies, gives us keen insights into the pattern of changes impacting the fundamental wiring across a diverse set of businesses, and we believe with this understanding, we can help our clients pick up the right signals and work out what's next. Over the years, we have invested in building differentiated capabilities such as Specific industry domain and technology expertise, and end-to-end service offering capabilities in systems integration, and infrastructure management.

Your Company has developed and refined its Service Delivery Model to ensure a consistent and controlled service process. Our Service Delivery Model divides projects into components that can be executed simultaneously at client sites and at our offices in India. We have taken several steps to build a sophisticated service delivery model and quality control processes, standards and frameworks. Our Sales and client engagement teams have ensured deep, enduring and expansive relationships with our customers around the world. All of our services and operations are fully aligned with the world's most respected standards and frameworks.

We have built specific industry domain and technology expertise. These give us the ability to articulate and demonstrate long-term value to our clients around the world, with whom we have deep, enduring and expansive relationships. We have nurtured premier ecosystem alliances with technology majors and global companies to be able to offer holistic solutions to our clients. We typically compete with other large, technology service providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end service capability and solutions, ability to scale, superior quality and project execution, established delivery model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

Dynacons has a team of specialists with experience in leveraging technology to help improve efficiency. Your Company provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms. Your Company has a well-defined and scalable organizational structure based on product, territory and process knowledge, experienced and stable management team, strong relationships with banks, and investors. We believe that our industry expertise, comprehensive end to-end service capability and solutions, ability to scale, digital capabilities, established platforms, superior quality and process execution, distributed agile delivery model, experienced management team, talented professionals and track record will help drive sustainable, profitable growth for us.

Quality

The Company continues to strengthen its commitment to the highest levels of quality, superior customer experience, best-in-class service management, robust information security and privacy practices and mature business continuity management. The customer-centricity, focus on their growth and transformation, rigor in operations and commitment to delivery excellence have resulted in sustained high customer satisfaction levels.

The Company has been appraised at Maturity Level 5 of the Capability Maturity Model Integration for Development. The Company has also driven agility in its internal processes that enhance competitiveness. The customer-centricity, rigor in operations and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels. Our enterprise ISO certification scope includes conformance to the following globally recognized standards: ISO 9001:2015 (Quality Management Systems), ISO 20000-1:2018 (IT Service Management) and ISO 27001:2022 (Information Security Management).

We maintain high ethical and corporate governance standards to ensure honest and professional business practices and protect the reputation of the Company and our customers. We continue to strive and maintain sustainable growth through the philosophy of business excellence. A strong emphasis is based on quality in every aspect of the Company's activities. In line with this philosophy we have designed our quality management program and have defined several key parameters for measurement of quality levels to ensure improvement in the quality of the deliverables.

Your company remains dedicated to enhancing its processes to guarantee top-notch delivery and utmost customer satisfaction. Achieving excellence in quality and customer contentment are vital components for thriving in today's fiercely competitive global marketplace. Your company is steadfastly committed to operational and delivery excellence, as well as sustainable growth in pursuit of business excellence. The unwavering dedication to maintaining the highest standards of quality, offering best-in-class service management, implementing strong information security measures, and cultivating mature business continuity procedures has enabled your company to achieve significant milestones in the past year.

Outlook

We will continue to play a pivotal role in partnering with clients to facilitate their business transformation, aiding them in accelerating the adoption of new technologies and introducing agility into their operations. Our focus involves collaborating with large enterprises on transformative initiatives aimed at constructing a digital foundation for the future, enabling the strategic utilization of data and artificial intelligence (AI), and reimagining both customer and employee experiences.

In the IT industry, there has been a growing concern about environmental sustainability. Businesses are increasingly committing to a sustainable future, manifesting through numerous innovations spanning products, services, manufacturing, and delivery methods. Consequently, new business models are emerging, necessitating investments in technology and innovation, including electric mobility, renewable power, hydrogen, and sustainable fuels. Throughout this transition, investments in IT and digital technology will play a crucial role in facilitating these transformations. Furthermore, scrutiny has been directed towards data centers and the energy consumption of IT equipment, resulting in initiatives aimed at adopting more energy-efficient technologies and incorporating renewable energy sources.

The impact of AI and Machine Learning is poised to be profound, as these technologies become integral to businesses across diverse sectors. We are currently witnessing a transition from predictive AI to generative AI, with the majority of businesses still in the process of capturing large volumes of data and harnessing the capabilities of cloud computing and IoT within the realm of predictive AI. Adoption levels vary among companies in different sectors, and leveraging generative AI will necessitate further technological innovation and investments. We are actively investing in talent and resources to develop AI-driven solutions, empowering our clients to harness the potential of data-driven insights.

Innovative delivery models like its AI-driven "Machine First" strategy and outcome-oriented business models are inspiring clients to rethink their operational strategies. The demand for cloud-centric "as-a-service" solutions is also surging, as indicated by a recent projection that anticipates substantial global revenue growth in this sector. This growth is expected to be fueled by emerging business paradigms, including content-as-a-service, artificial intelligence-as-a-service, and Internet of Things-as-a-service.

As enterprises increasingly rely on technology to drive their competitive advantage, technology intensity is on the rise, leading to a greater share of IT services within overall technology spending. We are confident that your company's best years lie ahead, as we seek to create a positive impact for our clients, employees, and the broader community of stakeholders we serve.

Opportunities and threats

Opportunities

The Macroeconomic uncertainty has been impacting decision making and prompting cost reduction initiatives. We have been leveraging full services capability and deep client relationships to offer IT Solutions that not only deliver greater efficiency, but also enhance enterprise agility and resilience. This has resulted in a strong deal flow which gives visibility of medium term growth.

Given the proliferation of Internet of Things (IoT) devices, alongside the increased mobility of computing power and AI-driven tools, the conditions are favorable for substantial growth in edge computing. Consequently, IDC anticipates that within the next three years, approximately 45% of data generated by IoT will be stored, processed, analyzed, and acted upon either in close proximity to or directly at the network edge. This trend will primarily be propelled by IoT applications spanning various sectors such as manufacturing, retail, healthcare, energy, financial services, logistics, and agriculture.

As businesses across the board transition towards becoming software-defined and adopt technology-centric business models across various industries, technology investments are more aligned than ever with achieving tangible business outcomes and will persist through economic fluctuations. The government and BFSI sectors are expected to lead the way as substantial buyers, and these sectors are the focal points for your Company's initiatives.

Our clients, as well as potential clients, find themselves presented with transformative business prospects resulting from advancements in software and computing technology. These organizations confront the challenge of rapidly reinventing their core offerings, processes, and systems while positioning themselves as 'digitally enabled.' Embarking on the journey towards a digital future necessitates not only an understanding of new technologies and novel work methodologies but also a profound comprehension of existing technology landscapes, business processes, and conventions. Our strategy revolves around serving as a guide for our clients as they brainstorm, strategize, and execute their path towards a digital future.

Throughout this year, we have remained committed to harnessing the capabilities of artificial intelligence (AI) and automation, IoT platforms, and robotics. These technologies are poised to redefine the IT landscape and enterprise business models in the times ahead. This transformation will generate significant value for our customers and boost revenue. Additionally, the increased demand for remote work necessitates enterprises to expand their investments in IT infrastructure, collaboration solutions, and workplace services.

The most valuable lesson we've learned is the importance of proactivity, agility, and flexibility. We've maintained close ties with our customers, aiding them in crafting and implementing strategies that enhance their organizational resilience and adaptability, enabling them to pivot towards new business models or introduce new offerings and prosper. Your Company is well-positioned to become the preferred partner for enterprises embarking on their growth and transformation journeys by staying true to its mission and values and continuously investing in developing new capabilities.

Threats

In the realm of the IT sector, the organization's success in recruiting, training, and retaining highly skilled IT professionals significantly impacts its ability to execute projects, cultivate and sustain client relationships, and attain projected operational and financial outcomes. The domestic market is witnessing an escalating influx of competition from both prominent international IT firms and Indian counterparts.

Competition serves as the primary challenge for most technology enterprises, given the incessant product cycles, the swift shift towards commoditization within the industry, and the ever-evolving technology, market dynamics, as well as governmental policies and regulations. These factors collectively pose challenges and risks to the seamless operation of the company. We observe fierce rivalry in conventional services, a swiftly evolving market landscape, and the emergence of fresh contenders in specialized technology niches.

Our typical competitors in response to requests for proposals are other major global technology service providers. We confront intense competition in established service domains and witness a swiftly evolving marketplace featuring novel players specializing in agile, adaptable, and innovative approaches. The technology products and services sector is fiercely competitive and susceptible to economic conditions and rapid technological advancements.

Risks and Concerns

Throughout the year, numerous macroeconomic and geopolitical factors had a significant impact. The Russia-Ukraine conflict, shortages, escalating inflation, supply chain disruptions, and energy crises all contributed to heightened uncertainty in the economic landscape. This macroeconomic volatility can influence the demand for our company's services. As a result, we closely monitor this unpredictable and ever-changing business environment and have undertaken initiatives to mitigate risks and capitalize on potential opportunities.

Operating within this uncertain and constantly evolving environment introduces significant complexities to our operations. However, our risk management strategies play a crucial role in ensuring that our objectives are met. We assess and manage risks at various levels, employing both a top-down and bottom-up approach encompassing the enterprise, business units, functions, customer relationships, and projects. Our company has developed expertise in a wide range of technologies,

platforms, and operational environments, offering clients a diverse array of options to meet their business needs. Our strategic approach is not dependent on any single technology or platform.

It's important to note that the company's objectives and expectations may be forward-looking within the context of applicable laws and regulations. We face a variety of risks, including credit risk, economic risk, interest rate risk, liquidity risk, and cash management risk, among others. To address these risks, we have established an Enterprise Risk Management Framework that encompasses risk identification, risk assessment, and risk mitigation planning.

In addition, the company operates in a constantly evolving and dynamic technology landscape. Therefore, it is imperative for us to continually review and upgrade our technology, resources, and processes to prevent technology obsolescence. Rapidly advancing technologies are reshaping consumption patterns and giving rise to new classes of buyers and business models, leading to increased demands on our agility to meet changing customer expectations. The spending on technology products and services by our clients and potential clients is subject to fluctuations influenced by various factors, including economic and regulatory conditions in their respective markets.

Our primary focus is on implementing a robust training strategy to address the developmental needs of employees across all leadership levels. This encompasses professional, functional, technical, and leadership development learning solutions. Talent availability and the preparedness of our leadership to lead and execute the organizational strategy are critical areas of emphasis. The presence and demonstration of the required competencies and skills at all levels remain pivotal in defining the organization's path to success. We recognize that it is the capable and skilled individuals who breathe life into the business strategy, a reality that our company holds in high regard.

Internal Financial control systems and their adequacy

Our internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. Dynacons has aligned its current systems of internal financial control with the requirement of Companies Act, 2013.

The Company's well-defined organizational structure, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. There is an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new/revised standards operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

Dynacons Systems & Solutions Limited has an audit committee, the details of which have been provided in the corporate governance report. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggest improvements to strengthen the same. Dynacons also undergoes periodic audit by the Audit Committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets Dynacons statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of SEBI Regulations 2015), the Company's audit committee has concluded that, as of March 31, 2023, the Company's internal financial controls were adequate and operating effectively.

Details of Ratios

The Company hereby provides the details of ratios as required under Schedule V (b) of the SEBI (LODR) Amendment Regulations, 2018

Details of significant changes in key financial ratios

Sr. No.	Particulars	2022-2023	2021-2022	Change of %	Remarks
1	Debtors Turnover (in months)	4.49 Months	3.22 months	39%	Revenue from operation have increased & this increase has led to consequent increase in the trade receivable . further increased technical complexity of project has lead to increase in the trade receivable
2	Inventory Turnover (Cogs/ Avg Inv) in times	12.51	10.38	21%	-
3	Interest Coverage Ratio	5.23:1	3.62:1	44%	Movement in ratio is due to improvement in net profit
4	Current Ratio	1.42:1	1.35:1	5%	-
5	Debt Equity Ratio	0.63:1	0.91:1	-31%	Movement in ratio is due to improvement in Shareholder's Equity and repayment of term loans during the current year.
6	Operating Ratio Margin	0.07:1	0.05:1	40%	Ratio has increased on account of higher margin
7	Net Profit Margin (%)	4.15%	2.52%	65%	Ratio has increased on account of higher margin & consequently increase in PAT & Revenue during the year

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Financial Year	2022-2023	2021-2022
Return on Networth (%)	31.92%	24.26%

The Return on net worth increased during the year 2022-23 as compared to previous year 2021-22 due to the higher net profit of ₹ 3,338 Lakhs earned in 2022-23 as against net profit of ₹ 1,646 Lakhs earned in year 2021-22.

3. Dividend

For FY2023, based on the Company's performance, the Directors had declared interim dividend of 5% of the Face Value of the share i.e. ₹ 0.50 per equity share amounting to ₹ 56,39,040 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders, to be paid out of profits of the Company for the FY 2022-2023 on the equity shares to those shareholders whose names appeared in the Register of Members of the Company on cut-off date i.e. August 23, 2022.

For FY2024, based on the Company's performance, the Directors had declared interim dividend of 5% of the Face Value of the share i.e. ₹ 0.50 per equity share amounting to ₹ 63,46,540 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders, to be paid out of profits of the Company for the FY 2023-2024 on the equity shares to those shareholders whose names appeared in the Register of Members of the Company on cut-off date i.e. August 23, 2023.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is disclosed in the Corporate Governance Report and is uploaded on the Company's website at <http://dynacons.com/wp-content/uploads/2020/08/Dividend-Distribution-Policy-DSSL-Final.pdf>

4. Transfer to Reserves

The Company has not transferred any amount to reserves.

5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

The requirement of transfer of unclaimed dividend to Investor Education and Protection Fund as per the provisions of Sec.125 (2) of the Companies Act, 2013, does not apply to the Company, for the year ended on March 31, 2023.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

During the year under review, there have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

The Directors had declared interim dividend of 5% of the Face Value of the share i.e. ₹ 0.50 per equity share amounting to ₹ 63,46,540(gross), subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders, to be paid out of profits of the Company for the FY 2023-2024 on the equity shares to those shareholders whose names appeared in the Register of Members of the Company on cut-off date i.e. August 23, 2023.

The Nomination and Remuneration Committee in its meeting held on August 10, 2022, had approved grant of 33,500 stock options under 'Dynacons - Employees Stock Option Plan 2020' (ESOP — 2020). Further the Company has received In-Principal Approval from BSE Limited on February 10, 2022 and from National Stock Exchange India Limited on April 01, 2022 for listing of 15,00,000 (Fifteen Lakhs) Equity Shares of ₹ 10 each to be allotted under Dynacons – Employee Stock Option Plan 2020.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

- There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future.
- There was no change in the nature of business of the Company.
- During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. Details of Holding/Subsidiary/Joint Ventures/Associate Companies:

The Company has a subsidiary Dynacons Systems & Solutions Pte. Ltd. as on March 31, 2023. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as Annexure-IV Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company www.dynacons.com

9. Directors and Key Managerial Personnel

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

Mr. Shirish Anjaria, Chairman cum Managing Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the resolutions for your approval for the above appointment.

At the 27th Annual General Meeting held on 30th September, 2022, Mrs. Archana Phadke (Din no.: 07138774), who attained the age of Seventy-five (75) on August 17, 2023, continued as Non-Executive, Independent Director of the Company for the term of 5 years effective from September 30, 2020 till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2025.

The Shareholders of the Company vide Postal Ballot dated 22nd April, 2022 re-appointed Mr. Shirish Anjaria (DIN: 00444104) Chairman Cum Managing Director, Mr. Parag J Dalal (DIN: 00409894) Whole Time Director and Mr. Dharmesh Anjaria (DIN: 00445009) Whole Time Director for a period of 3(three) years w.e.f. 1st February, 2022.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company expired at the 27th Annual General Meeting of the Company ceased to be a Non-executive, Independent Director and as Chairperson of Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 05, 2022 and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 30, 2022.

Mr. Vijay Doshi, was appointed as Non-Executive, Independent Director of the Company and as a Chairperson of Nomination & Remuneration Committee and Risk Management Committee and as member of Audit Committee and Stakeholders' Relationship & Grievance Committee w.e.f. September 05, 2022.

All the above appointments/re-appointments by the Board of Directors are based on the recommendation of the Nomination and Remuneration Committee. The resolutions for aforementioned appointment/re-appointments together with requisite disclosures are set out in the Notice of the ensuing 28th AGM. The Board recommends all the resolutions for your approval.

Pursuant to the provisions of Section 149 of the Act, the Independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Pursuant to the provisions of Section 203 of the Act, there has been no change in the key managerial personnel during the Financial Year 2022-2023. However, Mr. Ravishankar Singh resigned from the post the of Company Secretary and Compliance Officer of the Company w.e.f. closing hours of June 30, 2022 and Ms. Pooja Patwa was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. July 01, 2022.

10. Remuneration to Director and Employees

Details/Disclosures of ratio of remuneration to each Director to median employee's remuneration as required pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and details of remuneration paid to Employees vide Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure- III

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

11. Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, at the 27th AGM held on September 30, 2022 the members approved re-appointment of M/s. MSP & Co., Chartered Accountants Firm (Firm Registration No.107565W) as Statutory Auditors of the Company to hold office from the conclusion of 27th AGM till the conclusion of the 32nd AGM.

Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

12. Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

13. Internal Auditors

The Board had re-appointed Mr. Satya Pattnaik as the Internal auditor of the Company for a period of two years from Financial Year 2022-23 to 2023-24.

14. Cost Audit and Cost Auditors

The Company has maintained cost records for the Financial Year 2022-23 as prescribed by Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board had appointed Sarvottam Rege & Associates (Firm Registration no. 104190), Cost Accountants, for the conduct of the Cost Audit of the Company.

15. Reporting of Fraud by Auditors

During the year under review, the Internal Auditors, Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

16. Corporate Governance

Pursuant to Schedule V to the Listing Regulations and as required under Regulation 27 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report and the Certificate duly signed by the Chairman cum Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2023 forms a part of Annual Report.

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate time for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance.

17. Code of Conduct for Directors and Senior Management

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non-Executive Directors are uploaded on the website of the Company – www.dynacons.com.

18. Familiarization Program for Independent Directors

The Company has practice of conducting familiarization program of the Independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

19. Relationship Between Directors Inter-Se

The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than these, none of the Directors are related.

20. Particulars of the Employees

The information as required under Section 197 of the Act and rules made there-under is not applicable as none of the employees are in receipt of remuneration which exceeds the limits specified under the said rules read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. Documents placed on the Website of the Company:

The following documents have been placed on the website in compliance with the Act:

- Financial statements of the Company and consolidated financial statements along with relevant documents as per third proviso to Section 136(1).
- Details of Vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- The terms and conditions of appointment of independent directors as per Schedule IV to the act.
- Latest Announcements
- Annual Reports
- Shareholding Pattern
- Code of Conduct
- Corporate Governance
- Nomination and Remuneration Policy
- Materiality Policy under Regulation 30 of SEBI(LODR) Regulations, 2015
- CSR Policy

22. Human Resource Management (Material developments in Human Resources/Industrial Relations front, including number of people employed)

The Company values its human resources and believes that the success of an organisation is directly linked to the competencies, capabilities, contributions, and experience of its employees. The Company's core philosophy is centered around promoting a safe, healthy, and happy workplace while fostering a conducive work environment among its employees. Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

A robust Talent Acquisition system enables the Company to balance unpredictable business demands with a predictable resource supply through organic and inorganic growth. Our empowering culture, philosophy of investing in people, career growth opportunities, and progressive HR policies have resulted in consistently high retention levels and developed a strong employer brand.

Another critical aspect that companies must prioritize is the cultivation of a workforce poised for the future. The impending transitions in energy, supply chain dynamics, and the integration of artificial intelligence demand a multifaceted approach. This entails the imperative to reskill or upskill existing employees, embark on fresh talent acquisitions, and invest significantly in research and development initiatives. Capitalizing on our technological prowess positions us favorably to meet the burgeoning global demand and expand our talent pool.

The landscape of work is rapidly evolving, prompting organizations worldwide to rethink their strategies for talent acquisition and management. In the contemporary context, companies have the capacity to tap into talent resources from virtually anywhere, necessitating leaders to adeptly harness this global talent reservoir. Technological advancements and collaborative tools have paved the way for virtual and hybrid work models, making it essential to adopt an approach that leverages cutting-edge technologies such as AI and cloud computing to foster effective employee engagement and collaboration.

Your organization is making substantial investments in fortifying its AI capabilities, thereby augmenting the array of solutions offered to its clientele. This strategic commitment underscores the recognition of the pivotal role that talent plays in propelling the company forward.

Our overarching goal is to attract, nurture, motivate, and retain a diverse talent pool, as this diversity is a cornerstone of competitive distinction and long-term prosperity. The company's talent management strategy is meticulously crafted to

unlock the full potential of every employee. This strategy is anchored in the principles of purpose-driven work, inclusivity, an intellectually stimulating work environment, and a rewards system that recognizes and motivates employees. The endgame is to deliver an exceptional employee experience while catalyzing business growth.

The number of people employed during the year ended on March 31, 2023 were 1009.

23. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, M/s. HSPN & Associates LLP, (Formerly known as HS Associates) Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y. 2022-2023. The Company has provided all the assistance and facilities to the Secretarial Auditor for conducting their audit. Report of Secretarial Auditors for the F.Y. 2022-2023 in Form MR-3 is annexed to this report as Annexure-I.

24. Explanation or comments on Qualifications, reservations or adverse remarks made by Auditors and the Practicing Company Secretary in their Reports:

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31, 2023 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

25. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2022 was ₹ 11,27,80,800 divided into 1,12,78,080 Equity shares of ₹ 10 each which has increased to ₹ 12,69,30,800 divided into 1,26,93,080 Equity shares of ₹ 10 each as on March 31, 2023, since the Company had converted 14,15,000 warrants into Equity shares issued on preferential basis for ₹ 28 each (including a premium of ₹ 18 each) on March 31, 2023.

26. Shares:

- a. Buyback of Securities: The Company has not bought back any of the securities during the year under review.
- b. Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- c. Employee Stock Option Plan: The Company has not provided any stock options to the employees for the year under review. However, the Nomination and Remuneration Committee in its meeting held on August 10, 2022, had approved grant of 33,500 stock options under 'Dynacons - Employees Stock Option Plan 2020' (ESOP — 2020). Further the Company has received In-Principal Approval from BSE Limited on 10th February, 2022 and from National Stock Exchange India Limited on 1st April, 2022 for listing of 15,00,000 (Fifteen Lakhs) Equity Shares of ₹ 10 each to be allotted under Dynacons – Employee Stock Option Plan 2020.
- d. Preferential issue: The Board had converted 9,60,000 warrants into Equity shares on September 01, 2022, for which the Company received listing approval from BSE Limited on October 07, 2022 and National Stock Exchange of India Limited on September 30, 2022 and Trading approval from BSE Limited and National Stock Exchange of India Limited on October 20, 2022. The board had also converted 4,55,000 warrants into Equity shares on September 24, 2022, for which the Company received listing approval from BSE Limited on November 04, 2022 and National Stock Exchange of India Limited on October 27, 2022 and Trading approval from BSE Limited on November 15, 2022 and National Stock Exchange of India Limited on November 14, 2022.

27. Employees Share Option Plan 2020:

The Company, at the 25th Annual General Meeting held on 30th September, 2020, had taken the approval of the shareholders for its Employees Stock Option Plan (Dynacons-ESOP-2020). Further the Board on the recommendation of the Nomination and Remuneration Committee vide its meeting dated 10th March, 2022 made alterations/amendments to the existing scheme of the Company, namely Dynacons– Employee Stock Option Plan 2020” in order to make the scheme consistent with existing regulatory requirements (i.e., Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021).

The Company has not provided any stock options to the employees for the year under review. However, the Nomination and Remuneration Committee in its meeting held on August 10, 2022, had approved grant of 33,500 stock options under 'Dynacons - Employees Stock Option Plan 2020' (ESOP — 2020).

Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2023 is available at the website of the Company at www.dynacons.com. The certificate from the Secretarial Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Regulations would be placed at the ensuing Annual General Meeting for inspection by members.

28. Credit Rating

Your Directors have pleasure to inform that Acuite had carried out a credit rating assessment of the Company both for short term and long term bank facilities in compliance with norms implemented by Reserve Bank of India for all banking facilities which enables the Company to access banking services at low costs. Acuite has assigned BBB+ rating to your Company for long term working capital facilities for a total amount of ₹ 35.00 Crores. Acuite has also assigned Acuite A2 rating for the short term bank facilities of the Company up to ₹ 30 Crores.

29. Fixed Deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

30. Directors Responsibility Statement

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- (c) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis; and
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2023 is as under:

Conservation of Energy: The Company's operations involve low energy consumption. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

Technology Absorption: The Technology available and utilized is continuously being upgraded to improve overall performance and productivity.

Research & Development: Your Company believes that research & development is a continuous process for sustained corporate excellence. Our research & development activities help us in product and service improvement, effective time management and are focused to provide unique benefits to our customers. Such methods do not involve any specific cost burden to the Company.

Foreign Exchange Earnings : ₹ 1910.49 Lakhs (previous year ₹ 2750.72 Lakhs)

Foreign Exchange Outgo : ₹ 1027.54 Lakhs (previous year ₹ 757.41 Lakhs)

32. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

33. Number of Meetings of the Board

During the year, Twelve Board Meetings were held. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

34. Declaration by an Independent Director(s)

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Companies Act, 2013.

35. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' remuneration and appointment and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

36. Internal Financial Control System

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

37. Composition of Audit Committee

The Audit Committee comprises of three directors namely, Mr. Jitesh Jain, ^sMr. Viren Shah, *Mr. Vijay Doshi and Mrs. Archana Phadke.

Note- ^sMr. Viren Shah, whose second term as Non-executive, Independent Director of the Company expired at the 27th Annual General Meeting of the Company ceased to be a Non-executive, Independent Director and as Chairperson of Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 05, 2022 and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 30, 2022.

*Mr. Vijay Doshi, was appointed as Non-Executive, Independent Director of the Company and as a Chairperson of Nomination & Remuneration Committee and Risk Management Committee and as member of Audit Committee and Stakeholders' Relationship & Grievance Committee w.e.f. September 05, 2022.

38. Vigil Mechanism (Whistle Blower Policy):

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report the unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards

against victimization of employees who avail the mechanism. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://dynacons.com/wp-content/uploads/2020/08/Vigil-mechanism-policy-DSSL-Final.pdf>

39. Risk Management Policy:

Risk Management Policy identifies, communicate and manage material risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risk and mitigation measures are provided in the Management Discussion and Analysis annexed to the Annual Report.

40. Corporate Social Responsibility:

The Company has constituted a Corporate Social Responsibility Committee as per Section 135(1) of the Companies Act, 2013. The composition of CSR Committee and terms of reference are provided in Corporate Governance Report. The CSR policy is uploaded on the Company's website at www.dynacons.com. The CSR Report for the Financial Year 2022-23 is annexed to this report as Annexure-V.

41. Annual Return:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-7 is available on the website of the company at the web link: <https://dynacons.com/investors/others/annual-return/>

42. Particulars of Loans, Guarantees or investments:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

43. Particulars of contracts or arrangements with related parties:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of material contracts or arrangements or transactions at arm's length basis or otherwise have been disclosed in Form AOC-2 as Annexure II.

Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at <https://dynacons.com/investors/policies/>

44. Obligation of Company under the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('the said Act'). During the year Company has not received any complaint of harassment.

45. Disclosure Requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis are attached, which forms part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.

No application has been made under Insolvency and Bankruptcy Code, hence requirement to disclose the details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable to the Company.

The requirement to disclose the details of difference between amount of valuation done at the time of onetime settlement and valuation done while taking loan from the Banks and Financial Institutions along with the reasons thereof is also not applicable.

46. Acknowledgements

Your Directors thank the Company's Investors, Clients, Vendors, Bankers, Business and various governmental as well as regulatory agencies for their continued support and confidence in the management.

Your Directors wish to place on record their deep sense of appreciation of the dedicated and sincere services rendered by employees at all levels during the year. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.:00409894

Date: September 04, 2023

Place: Mumbai

Annexure I to the Directors' Reports
Secretarial Audit Report for the Financial Year Ended March 31, 2023
Form No. MR-3

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

To,
The Members,
Dynacons Systems & Solutions Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dynacons Systems & Solutions Limited** (hereinafter called "The Company "). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company , its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, Forms and returns filed and other records maintained by Dynacons Systems & Solutions Limited ("The Company"), for the year ended on **31st March, 2023** to the extent applicable to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. Securities And Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021
 - f. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as given in **Annexure-1**.

We have also examined compliances with the applicable clauses of the following:

- a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in composition of the Board as on the date of signing this report is as under:

The Shareholders of the Company vide Postal Ballot notice dated 21st March, 2022 re-appointed Mr. Shirish Anjaria (DIN: 00444104) Chairman Cum Managing Director, Mr. Parag J Dalal (DIN: 00409894) Whole Time Director and Mr. Dharmesh Anjaria (DIN: 00445009) Whole Time Director for a period of 3(three) years w.e.f 1st February, 2022.

Subject to the Recommendation of Nomination and Remuneration Committee the Board of Directors of the Company at their meeting held on 5th September, 2022 appointed Mr. Vijay Doshi as an additional Non-Executive Independent Director w.e.f. September 05, 2022 and ratified by the members in the Annual General Meeting dated 30th September, 2022, He was also inducted as a Chairperson of Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 05, 2022 and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 30, 2022.

Mr. Viren Shah, has completed his second term as Non-executive, Independent Director of the Company and has retired from the post of Non-executive, Independent Director w.e.f the closing of 30th September, 2022. Further due to retirement he ceased to be a Chairperson of Nomination & Remuneration Committee and Risk Management Committee and as a member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee.

Further, Mr. Ravishankar Singh (Mem No. A22957) resigned from the post the of Company Secretary and Compliance Officer of the Company w.e.f. closing hours of June 30, 2022 and Ms. Pooja Patwa (Mem No. A60986) was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. July 01, 2022.

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

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

We further report that during the audit period:

1. The Company has confirmed and paid Interim dividend as Final Dividend of ₹ 0.50/- per share for the year ended 31st March, 2022 which was in compliance with provisions of Section 123 of Companies Act, 2013 read with rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
2. The Nomination and Remuneration Committee in its meeting held on August 10, 2022, have approved grant of 33,500 (Thirty-Three Thousand and Five Hundred) stock options under 'Dynacons - Employees Stock Option Plan 2020.
3. During the year under review, the Board has converted 9,60,000 (Nine Lakhs Sixty Thousand) warrants into Equity shares on 01.09.2022. The Company has received listing approval for the same from NSE on 30.09.2022 and BSE Limited on 07.10.2022. Further, Company has received trading approval from the National Stock Exchange of India Limited and BSE Limited on 20.10.2022.

Further, the Board has converted 4,55,000 (Four Lakhs Fifty-Five Thousand) warrants into Equity Shares on 24.09.2022. The Company has received listing approval for the same from NSE on 27.10.2022 and BSE Limited on 04.11.2022. Further, Company has received trading approval for the same from the National Stock Exchange of India Limited on 14.11.2022 and BSE Limited on 15.11.2022.

4. The Company has obtained Shareholders approval in the 27th AGM:
 - (i) For reappointment of M/s. MSP & Co., Chartered Accountants (Firm Registration No. 107565W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the thirty-second AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

- (ii) For ratification of remuneration of ₹ 1,50,000/- per annum (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses, to be paid to M/s. Sarvottam Rege & Associates, Cost Accountants (Firm Registration No. 104190), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023.
- (iii) For continuation of Directorship of Mrs. Archana Phadke (Din no.: 07138774) as Non-Executive, Independent Director of the Company for the term of 5 years effective from September 30, 2020 till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2025, notwithstanding that on August 17, 2023 she attains the age of 75 years during the aforesaid tenure in the form of Special Resolution.”

For HSPN & ASSOCIATES LLP
Company Secretaries

Date: September 04, 2023
Place: Mumbai
ICSI UDIN: F002827E000928433
PEER REVIEW NO: 2507/2022

Hemant Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Annexure-1 (A)

Sector Specific Laws as Applicable to the Company

1. The Information Technology Act, 2000 and the Rules made thereunder.

Annexure-1 (B)

To,
The Members,
Dynacons Systems & Solutions Limited

Our report of even date is to be read along with this letter.

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

For HSPN & ASSOCIATES LLP
Company Secretaries

Date: September 04, 2023
Place: Mumbai
ICSI UDIN: F002827E000928433
PEER REVIEW NO: 2507/2022

Hemant Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Annexure II to the Directors' Reports

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2023, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

There were no material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2023.

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.:00409894

ANNEXURE III to the Directors' Reports**PARTICULARS OF REMUNERATION**

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is follows: -

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Executive Directors	Ratio to Median Remuneration
Shirish Anjaria	47.17
Parag Dalal	43.54
Dharmesh Anjaria	43.54

- (b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in remuneration
Shirish Anjaria	69%
Parag Dalal	69%
Dharmesh Anjaria	69%

- (c) The percentage increase in the median remuneration of employees in the financial year: 11.53%

Note: Percentage in bracket represents negative percentage.

- (d) The number of permanent employees on the rolls of company: 1009
- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2021-22 was 10%. Percentage increase in the managerial remuneration for the year was 45%.

- (f) The key parameters for any variable component of remuneration availed by the directors;

No Variable Component in the Remuneration availed by Directors

- (g) Affirmation that the remuneration is as per the remuneration policy of the Company

(1) The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

(2) The statement to the board's report shall include a statement showing the name of every employee of the Company-who-

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less one crore and two lakh rupees;- **Not Applicable to the Company**
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;- **Not Applicable to the Company**
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company- **Not Applicable to the Company.**

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.:00409894

Date: September 04, 2023

Place: Mumbai

Annexure-IV**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in USD):

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Dynacons Systems & Solutions Pte. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same As Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
4.	Share capital	7678
5.	Reserves & surplus	16,056
6.	Total assets	48,133
7.	Total Liabilities	24,399
8.	Investments	-
9.	Turnover	39,290
10.	Profit before taxation	9,780
11.	Provision for taxation	(423)
12.	Profit after taxation	9,357
13.	Proposed Dividend	-
14.	% of shareholding of holding company	100%

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.:00409894

Date: September 04, 2023

Place: Mumbai

Annexure-V

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23

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

The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').The Company's CSR policy is available on website of the company http://dynacons.com/investors/CSR%20Policy_DSSL_26.03.2021.pdf

2. The Composition of the CSR Committee:

The Corporate Social Responsibility (CSR) committee consists of Executive and Non-Executive Director with the Chairman being an Independent Director. The committee is chaired by Mrs. Archana Phadke. The following are the members of the committee: -

Name of the Director	Category
Mrs. Archana Phadke	Non-Executive-Independent Director
Mr. Shirish Anjaria	Chairman cum Managing Director
Mr. Dharmesh Anjaria	Executive Director
Mr. Parag Dalal	Executive Director

3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – **Not Applicable to the Company**
4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- **Nil**
5. Average net profit of the company for last three financial years: ₹1374.54 Lakhs/-
6. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹27.49 Lakh/-
7. Details of CSR spent during the financial year 2022-23.
- (a) Total amount spent in the financial year: ₹ 27.54 Lakh/-
- (b) Amount unspent, if any: - Nil
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years -Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year: - ₹ 27.49 Lakh/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ In Lakhs)	Amount Unspent (₹ In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
27.54	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation-Direct (Yes/No)	(11) Mode of Implementation-Through Implementing Agency	
				State.	District.						Name	CSR Registration number
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹). In Lakhs	(7) Mode of implementation-Direct (Yes/No).	(8) Mode of implementation-Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1.	Amount paid to Lion Club of Juhu Service fund for School Infrastructure Project and Anajdaan	(ii)	No	Maharashtra	Nashik	5.00	No	Lion Club of Juhu Service fund	CSR00004270
		(i)	Yes	Maharashtra	Mumbai	0.15	No		
2.	Amount paid to Josh Foundation for providing hearing aids for hearing impaired children	(i)	Yes	Maharashtra	Mumbai	8.00	No	Josh Foundation	CSR00006710
3.	Amount paid to Dean Poor Box Charity Fund LTMG Hospital for providing healthcare	(i)	Yes	Maharashtra	Mumbai	1.12	No	Dean Poor Box Charity Fund LTMG Hospital	CSR00003157
4.	Amount paid to Global Vikas Trust for Global Kachchh Project	(iv)	No	Gujarat	Kachchh	5.00	No	Global Vikas Trust	CSR00004400
5.	Amount paid to Hiraba Parikh Charitable Trust for Gunjan Street Children Project and for healthcare and education purpose	(i)	Yes	Maharashtra	Mumbai	3.91	No	Hiraba Parikh Charitable Trust	CSR00006640
		(ii)	Yes	Maharashtra	Mumbai	4.36	No		
TOTAL						₹ 27.54			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year: ₹27.54 Lakh

(g) Excess amount for set off, if any – Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ Lakh)
				Name of the Fund	Amount (₹ In Lakh)	Date of Transfer	
1.	Nil	Nil	Nil	Nil	Nil	N.A.	Nil

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
- (a) Date of creation or acquisition of the capital asset(s): **None**
 - (b) Amount of CSR spent for creation or acquisition of capital asset: **NIL**
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**
12. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy will be in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum
Managing Director
Din no.: 00444104

Archana Phadke
Chairperson of Corporate Social
Responsibility Committee
Din No.:07138774

Parag Dalal
Executive Director
Din no.: 00409894

Date: September 04, 2023

Place: Mumbai

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Report for the financial year ended March 31, 2023 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The consistent endeavor of Dynacons Systems & Solutions Ltd. is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. Our corporate governance is a statement of the values we stand by as we conduct our business and engage with our stakeholders

The Company's philosophy on Corporate Governance is aimed at (a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management; (b) achieving transparency and professionalism in all decisions and activities of the Company; (c) achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

The Company firmly believes and has consistently endeavored to practice good Corporate Governance. The Company has a strong legacy of fair, transparent and ethical governance practices. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of Dynacons Systems & Solutions Limited ('the Company'). The Company aims at maximizing the Shareholders' value with improvement in performing of the Company and protecting the interests of all the stakeholders through increased transparency in its operations and compliance of statutory requirements.

The Company's corporate governance philosophy has been further strengthened through, the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

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

2. BOARD OF DIRECTORS

Dynacons Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Board of Directors of the Company consists of professionals from varied disciplines. The Company has an appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Board of Director, who functions under the overall supervision, direction and control of the Board of Directors ("The Board") of the Company.

The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. In order to facilitate the day-to-day business affairs of the Company, the Board has constituted various committees of the Board and has delegated necessary powers to the Committees, Managing Director, Executive Directors, CFO, and Key Managerial Personnel. The Board thus exercises control over the overall functioning of the Company with a view to enhance the stakeholders value.

As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2023, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities also, none of the Directors who are the Executive Directors serves as independent directors in more than three listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees across all listed companies in which he/she is a Director. None of the Directors on the Board holds directorships in more than ten public companies. The necessary disclosures regarding Committee positions have been made by the Directors. None of the Directors are related to each other except Mr. Shirish Anjaria and Mr. Dharmesh Anjaria.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

BOARD MEETING AND PROCEDURES

Directors are provided with well-structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings. The maximum gap between any two meetings was not more than one hundred and twenty days.

In some instances, documents are tabled at the meetings and the presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings. The information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Directors are also provided the facility of video/tele conferencing to enable them to participate effectively in the Meeting(s), as and when required.

During the year under review, Eleven (11) Board Meetings were held on April 26, 2022, May 30, 2022, June 29, 2022, August 10, 2022, September 01, 2022, September 05, 2022, September 24, 2022, October 14, 2022, November 05, 2022, February 14, 2023, March 02, 2023.

The Board Meetings are held at the Registered and Corporate Office of the Company.

ROLE OF BOARD OF DIRECTORS

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction of the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfillment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Independent Directors have made disclosures confirming that there is no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The following table gives details of composition of the Board of Directors and the number of other Board of Directors of which they are a member/Chairman are as under:

Name of Director	Category of Directorship	Attendance at last AGM held on September 30, 2022	No. of Board Meetings Attended	No. of other Directorships in other Public Companies	Memberships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director	Number of shares held
Mr. Shirish M. Anjaria Din.:00444104	Promoter, Chairman cum Managing Director	Yes	11	0	0	0	Nil	1160948
Mr. Parag J. Dalal Din.:00409894	Promoter, Executive & Whole-time Director	Yes	10	0	0	0	Nil	959816
Mr. Dharmesh S. Anjaria Din.:00445009	Promoter Executive & Whole-time Director	Yes	10	0	0	0	Nil	956890
*Mr. Vijay Doshi Din: 09716581	Non- Executive & Independent Director	Yes	4	0	*2	0	Nil	0
*Mr. Viren C. Shah Din.:02886221	Non- Executive & Independent Director	Yes	6	0	\$2	0	Nil	0
Mr. Jitesh J. Jain Din.:00282797	Non- Executive & Independent Director	Yes	10	0	2	1	Nil	0
Mrs. Archana V. Phadke Din.:07138774	Non- Executive & Independent Director	Yes	9	0	2	1	Nil	80

The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than these, none of the Directors are related.

The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The Company has an Executive Chairman and the number of Independent Directors is half of the total number of Directors. The Company, therefore, meets with the requirements of Regulation 17 (1) (a) & (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the stock exchanges.

As required under Section 149(3) of the Companies Act, 2013, Mrs. Archana Phadke, a lady Director, has been appointed as an Independent Director on the Board.

Note: *Memberships/Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee of Indian public limited companies have been considered as per Regulation 26(1)(b) of SEBI. Other directorships exclude his/her Directorships in the Company, directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

§Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company expired at the 27th Annual General Meeting of the Company ceased to be a Non-executive, Independent Director and as Chairperson of Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 05, 2022 and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 30, 2022.

*Mr. Vijay Doshi, was appointed as Non-Executive, Independent Director of the Company and as a Chairperson of Nomination & Remuneration Committee and Risk Management Committee and as member of Audit Committee and Stakeholders' Relationship & Grievance Committee w.e.f. September 05, 2022.

The Number of Directorships and the positions held on Board, Committees by the Directors are in conformity with the limits on the number of Directorships and Board committee positions as laid down in the Act and the Listing Regulations. During the year 2022-2023, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

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

The details of number of shares and convertible instruments held by non-executive directors is mentioned under point no 13.10 of this report.

3. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. The familiarization commences from the stage of induction of Independent Director. Independent Directors are appointed as per policy of Dynacons Systems & Solutions Limited, with management expertise and wide range of experience. The Independent directors of the Company are eminent personalities having wide experience in the field of finance, industry, commerce and administration business, education.

The Independent Directors interact with senior management during the Board and Committee meetings and familiarization programs. The Independent Directors get familiarized with workings of the Company during the deliberations and discussions on policies of the Company.

The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. In addition, the Company also updates on continuous basis to the Independent Directors about the ongoing events and developments relating to the Company, significant changes in regulatory environment through the Board/Committee meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.dynacons.com to enable them to familiarize with the Company's procedures and practices.

Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors. Their presence on the Board has been advantageous and fruitful in taking Business decisions.

Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: <https://dynacons.com/investors/policies/Familiarisation%20Programme.pdf>

Particulars of Director seeking appointment/re-appointment at the Annual general meeting have been given in the annexure to the Notice.

Core Skills / Expertise / Competencies Available with the Board:

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations, the Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Areas of expertise required	Description	Skill areas actually available with the Board
1.	Experience of Leadership / Operational experience	Experience of having managed organisations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits	Yes
2.	Strategic Planning	Experience in developing long-term strategies to grow consumer business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.	Yes
3.	Global Business	Experience in understanding global markets and developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.	Yes
4.	Financial, Regulatory / Legal & Risk Management	Comprehensive understanding of financial accounting, reporting and controls and analysis.	Yes
5.	Corporate Governance	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.	Yes

Expertise/ Skills of Directors

Name of the Director	Expertise / Skills				
	Experience of Leadership and Operational Experience	Strategic Planning	Global Business	Financial, Regulatory/ Legal & Risk Management	Corporate Governance
Mr. Shirish Anjaria	Yes	Yes	Yes	Yes	Yes
Mr. Parag Dalal	Yes	Yes	Yes	Yes	Yes
Mr. Dharmesh Anjaria	Yes	Yes	Yes	Yes	Yes
*Mr. Vijay Doshi	Yes	Yes	Yes	Yes	Yes
§Mr. Viren Shah	Yes	Yes	--	--	Yes
Mr. Jitesh Jain	Yes	Yes	Yes	Yes	Yes
Mrs. Archana Phadke	Yes	Yes	--	Yes	Yes

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board, all the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business

that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being an IT service provider, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

Our Independent Directors meet the criteria of Independence as per Section 149(6) of Companies Act, 2013 and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. The Board confirms that the Independent Directors fulfill the conditions as specified under Schedule V of Listing Regulations and are Independent of the management.

Note- [§]Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company expired at the 27th Annual General Meeting of the Company ceased to be a Non-executive, Independent Director and as Chairperson of Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 05, 2022 and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 30, 2022.

*Mr. Vijay Doshi, was appointed as Non-Executive, Independent Director of the Company and as a Chairperson of Nomination & Remuneration Committee and Risk Management Committee and as member of Audit Committee and Stakeholders' Relationship & Grievance Committee w.e.f. September 05, 2022.

4. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. All the members of the Committee have wide experience in fields of Banking & Finance, Accounts, Regulatory and Financial service industry.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Company has an Internal Audit Department, who is responsible for conducting independent Internal Audit. The Internal Auditor reports directly to the Audit Committee of the Board.

Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.

The Committee is presently chaired by Mr. Jitesh Jain, Chartered Accountant. The Audit Committee met **Ten** times during the financial year 2022-2023 on April 26, 2022, May 30, 2022, June 29, 2022, August 10, 2022, September 05, 2022, September 24, 2022, October 14, 2022, November 05, 2022, February 14, 2023, March 02, 2023. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

The members of the Audit Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mr. Jitesh Jain	Non-Executive & Independent Director	9
[§] Mr. Viren Shah	Non-Executive & Independent Director	6
*Mr. Vijay Doshi	Non-Executive & Independent Director	4
Mrs. Archana Phadke	Non-Executive & Independent Director	8

[§]Note- Please refer point no. 14(dd) & 14(ee) of the Corporate Governance Report

The terms of reference of the Audit Committee includes -

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, re-appointment and removal of statutory auditor, fixation of audit fees and also approval of payment of any other services.
- To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements.
- To review the functioning of the Whistle Blower Mechanism.
- Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following:
 - Matters required to be included in the Director's Responsibility Statement.
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management
 - Significant adjustment arising out of audit.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Qualification in draft audit report.
- Any related party transaction, i.e., transaction of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
- Review and monitor the Auditor's independence, performance and effectiveness of audit process.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same
- To review the functioning of the Whistle Blower Mechanism.

The Audit Committee shall mandatorily review the following information:

- a management discussion and analysis of financial condition and results of operations;
- b statement of significant related party transactions (as defined by the audit committee) submitted by management;
- c management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- d internal audit reports relating to internal control weaknesses;
- e the appointment, removal and terms of remuneration of the chief Internal auditor shall be subject to review by the audit committee and
- f statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) 2015.

- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) 2015.

The previous AGM of the Company was held on September 30, 2022 and was attended by Mr. Jitesh Jain, Chairman of the Audit Committee.

5. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 with Part D of the Schedule II of SEBI Listing Regulations, read with Section 178 of the Act.

- Recommend to the Board the setup and composition of the Board and its Committees.
- To review the performance of the Chairman and Managing Director and the Whole-time Directors after considering the company's performance.
- To review overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s).
- To determine whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation. The tenure of extension or continuity of Independent Director shall be computed as per the provisions of sub-section (10) and (11) of Section 149 of the Companies Act, 2013 read with Explanation there to and Regulation 16(1)(b) of the Listing Regulations.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Devising a policy on Board diversity
- Oversee familiarization programs for Directors.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.
- To ensure 'fit and proper' status of proposed directors and that there is no conflict of interest in appointment of directors on Board of the Company, Key Managerial Personnel and senior management.

The Nomination and Remuneration committee consists of Non-Executive Directors with the Chairman being an Independent Director. The members of Committee as on March 31, 2023 were *Mr. Vijay Doshi, Mrs. Archana Phadke, §Mr. Viren Shah and Mr. Jitesh Jain. The Committee is chaired by *Mr. Vijay Doshi. Company Secretary of the Company acted as the Secretary to the Committee.

The members of the Nomination and remuneration committee met thrice during the year on June 29, 2022, August 08, 2022 and September 05, 2022.

The members of the Nomination and Remuneration Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
§Mr. Viren Shah	Non-Executive & Independent Director	3
*Mr. Vijay Doshi	Non-Executive & Independent Director	Nil
Mr. Jitesh Jain	Non-Executive & Independent Director	3
Mrs. Archana Phadke	Non-Executive & Independent Director	2

§*Note- Please refer point no. 14(dd) & 14(ee) of the Corporate Governance Report.

The previous AGM of the Company was held on September 30, 2022 and was attended by Mr. Viren Shah, Chairperson of the Nomination and Remuneration Committee.

The terms of reference of the NRC, is uploaded on the Company's web site at <http://dynacons.com/Nomination%20&%20Remuneration%20Policy.pdf>

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees, after taking into consideration various things like inputs received from the Directors, functions of Board's such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Criteria for performance evaluation of Independent Directors includes:

1. Attendance and Participation
2. Professional Approach
3. Maintaining confidentiality
4. Acting in good faith and in the interest of the company as a whole
5. Exercising duties with due diligence and reasonable care
6. Complying with legislations and regulations in letter and spirit
7. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
8. Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

*Note- Please refer point no. 14(dd) & 14(ee) of the Corporate Governance Report.

REMUNERATION OF DIRECTORS:

Remuneration Policy

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. Remuneration of employees largely consists of basic remuneration and performance incentives. The Company while deciding the remuneration package takes into consideration the employment scenario, remuneration package of the industry and the remuneration package of other Industries.

The remuneration of the Managing Director and Whole-Time Director is recommended by the Nomination & Remuneration Committee and then approved by the Board of Directors and subsequently by the shareholders in general meeting within the limits prescribed in Companies Act, 2013. The Non-Executive Independent Directors are paid sitting fees for Board meetings attended by them.

Pecuniary transactions with Non-Executive Directors

During the year under review, there were no pecuniary transactions with any of the Non-Executive Director of the Company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year. The

register of Contracts is maintained by the Company under Section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

Policy for Remuneration of Non – Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- The remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- The policy for making payment to Non-Executive Director is available on Company's website at <http://dynacons.com/criteria-of-making-payments-to-non-executive-directors.pdf>

Sitting fees

For the year 2022-2023, the Company paid sitting fees of ₹ 1,45,000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The details of sitting fees paid to the Directors for the year 2022-2023 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meeting (₹)	Salary & Perquisites (₹)	Commission (₹)	Total (₹)
1	Mr. Jitesh Jain	50,000	0	0	50,000
2	*Mr. Vijay Doshi	20,000	0	0	20,000
3	§Mr. Viren Shah	30,000	0	0	30,000
4	Mrs. Archana Phadke	45,000	0	0	45,000

Directors are not provided with any performance linked incentives.

§*Note- Please refer point no. 14(dd) & 14(ee) of the Corporate Governance Report

None of the Directors have service contracts, apart from agreements made towards their appointment as Whole Time Director / Managing Director. The notice period for resignation is 30 days however due to certain unavoidable circumstances notice of resignation can be served without the mandatory period of 30 days.

Details of Remuneration to the Executive Directors for the year ended March 31, 2023

Executive directors of the Company are appointed by the Board of Directors subject to the approval of shareholders in the general meeting. The remuneration package of the executive directors is determined by the Nomination and Remuneration Committee within the permissible limits, subject to approval by the Board and shareholders in their respective meetings as per applicable provisions of the Companies Act, 2013.

The details of remuneration paid to Executive Directors during the financial year 2022-23 are as under:

(Amount in ₹)

Name of Director	Mr. Shirish Anjaria	Mr. Parag Dalal	Mr. Dharmesh Anjaria
Designation	Chairman cum Managing Director	Whole Time Director	Whole time Director and CFO
Salary	78,00,000	72,00,000	72,00,000
Performance bonus	-	-	-
PF & Gratuity	-	-	-

6. STAKEHOLDERS RELATIONSHIP & GRIEVANCE COMMITTEE

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 (5) of the Companies Act, 2013.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

Functions

The Shareholders Committee is chaired by Mrs. Archana Phadke. The Stakeholder's Relationship Committee met four times during the year on June 29, 2022, September 24, 2022, November 05, 2022 and March 02, 2023. The composition of the committee and details of the meetings attended by the Directors are given below:

Name of the Director	Category	No. of Meetings attended
[§] Mr. Viren Shah	Non-Executive & Independent Director	2
*Mr. Vijay Doshi	Non-Executive & Independent Director	2
Mr. Jitesh Jain	Non-Executive & Independent Director	4
[#] Mrs. Archana Phadke	Non-Executive & Independent Director	2

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, non-receipt of annual Report, attending to complaints of investors routed by SEBI/Stock Exchanges and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time.

Details of share transfer / transmission approved by the committee are placed at the Board meetings from time to time. Company Secretary of the Company acted as the Secretary to the Stakeholders Relationship Grievance Committee.

[§]*Note- Please refer point no. 14(dd) & 14(ee) of the Corporate Governance Report

The Company has appointed M/s. Bigshare Services Private Limited as the Registrar and Share Transfer Agent to handle the investor grievances in co-ordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The previous AGM of the Company was held on September 30, 2022 and was attended by Mrs. Archana Phadke, Chairperson of the Stakeholder's Relationship Committee.

The Committee in particular looks into:

1. To oversee and review redressal of shareholder and investor grievances, on matters relating to issue, transfer, transmission of securities, non-receipt of annual report, non-receipt of dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company, if any.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.
7. Any other matters that can facilitate better investor services and relations.
8. Review activities with regard to the Health Safety and Sustainability initiatives of the Company.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company.
10. Any other matters that can facilitate better investor services and relations.

During the year under review, no complaints were received from shareholders/investors as on March 31, 2023. The number of pending share transfers as on March 31, 2023 were Nil.

Name and designation of Compliance Officer:

Ms. Pooja Patwa Company Secretary, acts as Compliance Officer of the Company and she can be reached out at the corporate office of the Company at:3rd Floor, A-Wing, Sunteck Centre, Subhash Road, Near Garware Chowk, Vile Parle (E), Mumbai – 400057, e-mail id- investors@dynacons.com, Tel No.- 022-66889900

Mr. Ravishankar Singh resigned from the post the of Company Secretary and Compliance Officer of the Company w.e.f. closing hours of June 30, 2022 and Ms. Pooja Patwa was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. July 01, 2022.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and the rules made thereunder.

Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends atleast the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.
4. Any other matter as may be necessary for implementation of CSR Policy.

The Corporate Social Responsibility (CSR) committee consists of Executive and Non-Executive Director with the Chairman being an Independent Director. The members of Committee are Mrs. Archana Phadke, Mr. Shirish Anjaria, Mr. Parag Dalal, Mr. Dharmesh Anjaria. The committee is chaired by Mrs. Archana Phadke. The committee met three

times during the year on May 30, 2022, December 12, 2022 and March 02, 2023. The necessary quorum was present for all the meetings.

The members of the Corporate Social Responsibility Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mrs. Archana Phadke	Non-Executive & Independent Director	3
Mr. Shirish Anjaria	Chairman cum Managing Director	3
Mr. Parag Dalal	Executive Director	3
Mr. Dharmesh Anjaria	Executive Director	2

8. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21(5) of Listing Regulations, the Risk Management Committee is not applicable to the Company, however the Company has constituted risk management committee of the Company in line with the provisions of Regulation 21 of SEBI Listing Regulations, 2015. Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management committee consists of Non-Executive Directors with the Chairperson being an Independent Director. The members of Committee were *Mr. Vijay Doshi, Mrs. Archana Phadke, §Mr. Viren Shah, and Mr. Jitesh Jain. The Committee is chaired by *Mr. Vijay Doshi.

The objectives and scope of the Risk Management Committee broadly comprises:

- Overview of risk management process performed by the executive management;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Such other matters as may be delegated by Board from time to time.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

Since the provisions of Regulation 21 of Listing Regulations are not applicable to the Company, the members of the Risk Management committee did not conduct any meeting during the FY 2022-2023.

*Note- Please refer point no. 14(dd) & 14(ee) of the Corporate Governance Report

9. SENIOR MANAGEMENT:

Mr. Ravishankar Singh resigned from the post the of Company Secretary and Compliance Officer of the Company w.e.f. closing hours of June 30, 2022 and Ms. Pooja Patwa was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. July 01, 2022.

INDEPENDENT DIRECTORS' MEETING

During the year under review, as required under Schedule IV to the Companies Act, 2013 and the provisions of SEBI Listing Regulations, 2015, the Independent Directors met on March 23, 2023, without the presence of Executive Directors or members of management, inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;

- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and on-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- Level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance.

The Independent Directors were satisfied with the overall functioning of the Board, its various Committees, Non-Independent Directors and the Chairman.

10. REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Companies equity shares are listed in the requisite format duly signed by the Compliance Officer.

11. GENERAL BODY MEETINGS

I. The last three Annual General Meetings and Extra-Ordinary General Meetings of the Company were held as under: -

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed	Details of special resolution proposed to be conducted through postal ballot
2020	September 30, 2020	03:00 P.M.	The 25 th Annual General Meeting of the Company was held by means of video conferencing ("VC") / other audio visual means ("OAVM") on account of outbreak of COVID-19 (Coronavirus) pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs	Number of Special Resolutions passed: 6 Details of Special Resolution are as follows: 1. Issue of Warrants convertible into Equity shares to Promoter and Promoter Group/relatives of promoter, of the Company on Preferential basis. 2. Alteration of Share capital and variation of rights clause of Articles of Association of the Company 3. Approval of 'Dynacons-Employees Stock Option Plan 2020' 4. To extend approval of 'Dynacons- Employees Stock Option Plan 2020' to the employees of Holding Company and its Subsidiary Company (ies) 5. Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Two per cent of the issued Capital of the Company during any One financial year to identified employees under Dynacons- Employees Stock Option Plan 2020 6. Re-appointment of Mrs. Archana Vinayak Phadke (Din no.: 07138774) as an Independent Director	Nil
2021	September 30, 2021	03:00 P.M.	The 26 th Annual General Meeting of the Company was held by means of video conferencing ("VC") / other audio visual means ("OAVM") on account of outbreak of COVID-19 (Coronavirus) pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs	Number of Special Resolutions passed: 3 Details of Special Resolution are as follows: 1. Alteration of Memorandum of Association of the Company 2. Increase in Borrowing Power of the Company 3. Re-appointment of Mr. Jitesh Jain (Din no.: 00282797) as an Independent Director	Nil

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed	Details of special resolution proposed to be conducted through postal ballot
2022	September 30, 2022	03:00 P.M.	The 27 th Annual General Meeting of the Company was held by means of video conferencing ("VC") / other audio visual means ("OAVM") on account of outbreak of COVID-19 (Coronavirus) pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs	Number of Special Resolutions passed: 3 Details of Special Resolution are as follows: 1. Remuneration of Cost Auditors 2. Appointment of Mr. Vijay Doshi (Din no.: 09716581) as an Independent Director 3. Continuation of Directorship of Mrs. Archana Phadke (Din no.: 07138774), Non-Executive, Independent Director who will attain the age of Seventy-five (75)	Nil

No Extraordinary general meeting of the members was held in last three financial years

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated March 21, 2022 for the below mentioned resolutions-

1. Re-appointment of Mr. Shirish Anjaria (Din:00444104) as Chairman cum Managing Director
2. Re-appointment of Mr. Parag Dalal (Din: 00409894) as Whole-time Director
3. Re-appointment of Mr. Dharmesh Anjaria (Din: 00445009) as Whole-time Director

The above special resolutions were duly passed and the results of which were announced on April 26, 2022 at stock exchanges. Mr. Hemant Shetye (Membership No. FCS 2827) designated partner of HSPN & Associates LLP, (Formerly known as HS Associates), Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

12. MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are widely published in Leading newspapers, which includes Financial Express in English language and in local language newspapers, which includes Mumbai Lakshadweep in Marathi language. After adoptions by the Board of Directors in their Board Meetings the financial results and official news releases are posted on the Company's website: www.dynacons.com. The Management Discussion and Analysis Report is a part of the Annual Report for the year. The annual report has been sent in electronic form to shareholders, who have provided their email id. Physical copies of the annual report have been provided to such shareholders based on a request received from them for this purpose.

The Company's Financial Results/media releases and other important Investor related information are periodically displayed and updated on the Company's website, viz., www.dynacons.com.

The annual report has been sent in electronic form to shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2023.

Our Company does online filing with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.

13. GENERAL SHAREHOLDER INFORMATION

13.1 Annual General Meeting: -

-Date and Time	September 30, 2023 at 03:00 P.M.
-Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 08, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

13.2 Financial Calendar: - April'22 – March'23

13.3 Book Closure Date/Record Date As mentioned in the Notice of this AGM

13.4 Dividend Payment Date The Company had declared Interim dividend of ₹ 0.50 per equity share of the face value of ₹ 10/-each for the financial year ended March 31, 2023, on August 10, 2022, and paid to all shareholders eligible as on record date August 23, 2022. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2023.

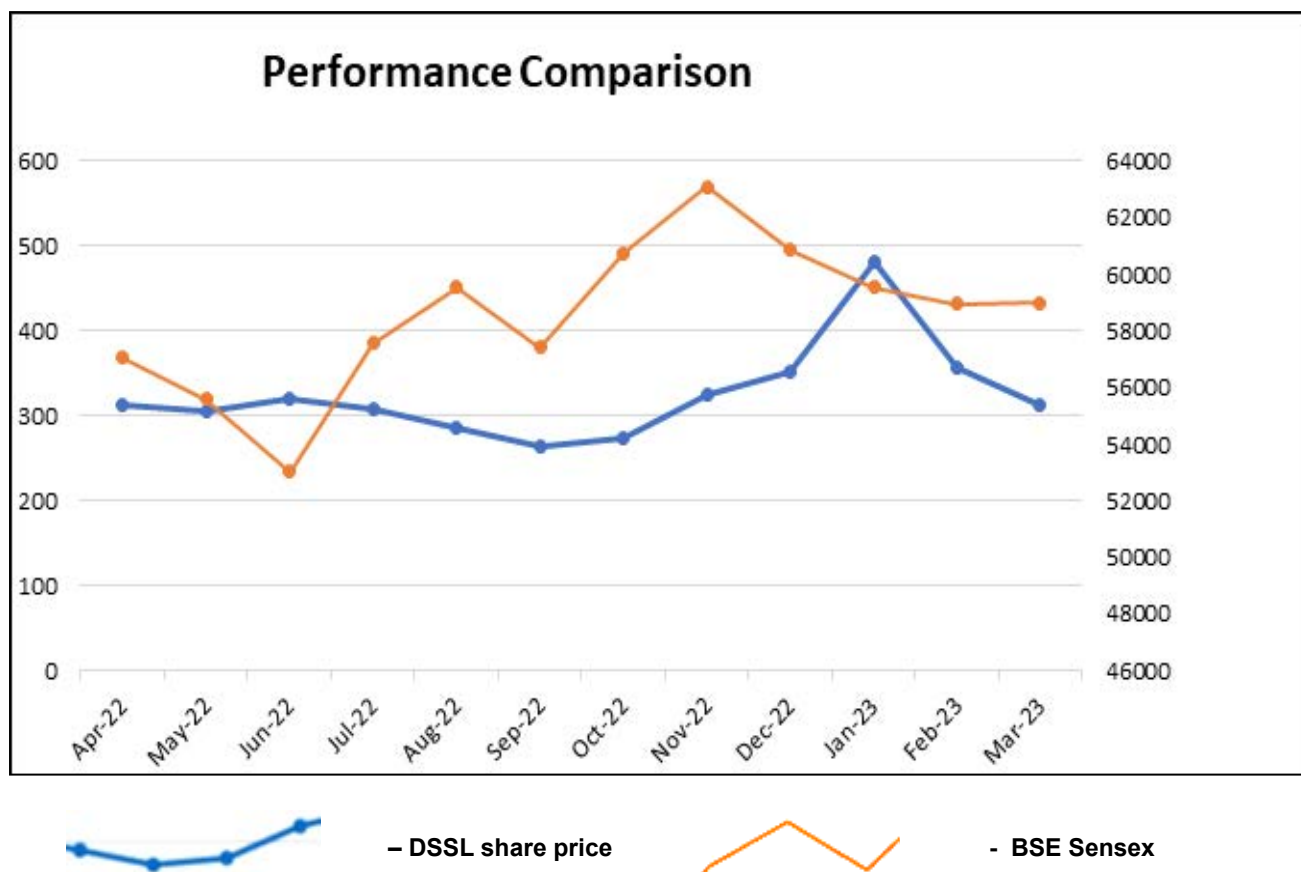
13.5 (a) Listing of Equity Shares on Stock Exchanges at:

Name and address of stock exchange:	Code Nos.
The BSE Ltd., Mumbai 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	532365
National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051	DSSL
(b) Listing of Global Depository Receipts	N. A.
(c) Demat ISIN numbers in NSDL & CDSL	INE417B01040
(d) Annual listing fees for the year 2022-2023 have been duly paid to all the above Stock Exchanges.	
(e) Corporate Identification Number (CIN)	L72200MH1995PLC093130
(f) Date of Book Closure/Record Date	As mentioned in the Notice of this AGM

13.6 Stock Market Data

	Bombay Stock Exchange (BSE) (in ₹)			National Stock Exchange (NSE) (in ₹)		
	Month's high price	Month's low price	Total number of equity shares traded	Month's high price	Month's low Price	Total number of equity shares traded
April 2022	368.00	206.50	579176	368.90	209.45	3966620
May 2022	320.30	228.15	206413	319.00	229.20	1213603
June 2022	457.95	297.85	583135	456.70	297.35	3990351
July 2022	350.00	289.00	81614	352.95	289.00	291692
Aug 2022	318.70	252.45	69637	320.45	252.05	270379
Sep 2022	326.10	263.00	68420	325.70	265.65	348947
Oct 2022	314.35	257.50	41121	312.00	254.00	238858
Nov 2022	352.00	255.25	181602	351.00	263.10	772965
Dec 2022	391.95	291.45	178610	392.90	300.00	1032329
Jan 2023	555.00	344.00	364996	555.80	344.00	2463224
Feb 2023	512.30	356.65	186388	514.95	354.55	950905
Mar 2023	396.80	283.30	103428	392.85	284.55	522302

Performance in Comparison to BSE Sensex



13.7 Registrar and transfer Agents:

Bigshare Services Pvt. Ltd.

SEBI Regn. No. INR 00001385
S6-2,6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road, Andheri (East),
Mumbai – 400093, Maharashtra
Tel : 022 – 62638200/206 Fax: 022 – 62638299
Email id- info@bigshareonline.com
Website- bigshareonline.com

13.8 Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. The folios shall be frozen, if any of these details are not available on or after October 01, 2023. Shareholders may contact the RTA at, info@bigshareonline.com. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

13.9 Distribution of Shareholding as on March 31, 2023

No. of Equity Shares	No. of Folios	% of Total	No. of Shares	% of Total
1-500	19167	94.43	1477849	11.64
501-1000	614	3.03	456719	3.60
1001-2000	286	1.41	431712	3.40
2001-3000	83	0.41	209158	1.65
3001-4000	36	0.18	127460	1.01
4001-5000	19	0.09	89042	0.70
5001-10000	39	0.19	280577	2.21
10001-9999999999	53	0.26	9620563	75.79
Total	20297	100.00	12693080	100.00

Note- Refer Point No. 14(n) of the Corporate Governance Report

13.10 Shareholding of Directors

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	1160948	9.15
2.	Mr. Dharmesh Anjaria	956890	7.54
3.	**Mr. Parag Dalal	959816	7.56
4.	*Mr. Vijay Doshi	Nil	Nil
5.	§Mr. Viren Shah	Nil	Nil
6.	Mrs. Archana Phadke	80	0.00
7.	Mr. Jitesh Jain	Nil	Nil

Note- Refer Point No. 14(n) of the Corporate Governance Report

** Late Mrs. Hasumati Dalal, promoter group person of the Company, held 1,44,816 shares in the Company, of which 12,616 shares are transmitted to Mr. Parag Dalal, promoter of the Company, as on March 31, 2023, also, the balance 1,32,200 shares held by Late Mrs. Hasumati Dalal are under process of transmission. Further, there is no change in pre and post Shareholding percentage held by Promoter/ Promoter Group after the said transmission.

13.11 Dematerialization of Shares and Liquidity as on March 31, 2023

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
1,26,93,080	38,140	0.30%	1,26,54,940	99.70%

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE417B01040.

Note- Refer Point No. 14(n) of the Corporate Governance Report

13.12 Categories of Shareholders as on March 31, 2023

Category	No. of Shares held	Percentage of Shareholding
Clearing Member	21887	00.17%
Corporate Bodies	59040	00.46%
Corporate Bodies (Promoter Company)	2086475	16.44%
Non Nationalised Banks	40	00.00%
Non Resident Indians	269255	02.12%
Promoters/Directors	4371274	34.44%
Public	4586985	36.14%
Relative of Director	1297905	10.23%
Trusts	219	0.00%
Total	12693080	100.00%

Note- Refer Point No. 14(n) of the Corporate Governance Report

13.13 Capital of the Company : The authorized and paid-up capital of your Company is ₹ 300,000,000 and ₹ 12,69,30,800 respectively.

13.14 Outstanding GDRs/ADRs/Warrants : The Company does not have any outstanding GDRs/ADRs/warrants/convertible instruments as on March 31, 2023

13.15 Company Secretary & Compliance Officer : Ms. Pooja Patwa
(Appointed w.e.f. July Compliance Officer 01, 2022)

13.16 Address for Investor Correspondence : **Bigshare Services Pvt. Ltd.**
SEBI Regn. No. INR 00001385
S6-2,6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai – 400093, Maharashtra
Tel : 022 – 62638200/206 Fax: 022 – 62638299

Dynacons Systems & Solutions Ltd.
CIN: L72200MH1995PLC093130
78, Ratnajyot Ind. Estate,
Irla Lane, Vile Parle (West),
Mumbai – 400 056
Email: investor@dynacons.com
Cont No. 022-66889900

13.17 Credit Rating : Acuite carried out a credit rating assessment of the Company both for short term and long-term bank facilities in compliance with norms implemented by Reserve Bank of India for all banking facilities which enables the Company to access banking services at low costs. Acuite has assigned BBB+ rating to your Company for long term working capital facilities for a total amount of ₹ 35.00 Crores. Acuite has also assigned Acuite A2 rating for the short-term bank facilities of the Company up to ₹ 30 Crores.

13.18 Plant Location : In view of the nature of the Company's business, the said disclosure is not applicable to the Company.

14. OTHER DISCLOSURES

a) Related party Transactions:

There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives or any other related parties of the Company, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee.

The Board's approved policy for related party transactions is uploaded on the website of the Company at <https://dynacons.com/investors/policies/Policy%20on%20Related%20Party%20Transactions.pdf>

Except Mr. Shirish Anjaria and Mr. Dharmesh Anjaria having father son relationship, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees to Independent Directors, remuneration to Directors apart from transactions in the ordinary course of business and on arm's length basis at par with any member of general public. The Company did not advance any loans to any of its Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

b) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board and Omnibus approval was obtained for the transactions of repetitive nature, as and when required.

c) Management Discussion and Analysis Report:

The Management Discussion and Analysis Report have been provided in the Directors' Report to the Shareholders.

d) Details of non-compliance by the Company, penalties, restrictions imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years:

The Company had sought relaxation from SEBI for strict compliance of Regulation 163(1)(f) of Chapter V of SEBI ICDR Regulations, 2018, with respect to disclosure of beneficial owners of Trigem Infosolutions Limited in the Explanatory statement of the AGM notice dated September 03, 2020, pertaining to the preferential issue of 35,20,000 warrants convertible into equity shares at a price of ₹ 28/- per warrant to promoter, promoter group and relatives of promoter.

SEBI vide letter dated January 28, 2021 having reference number SEBI/HO/CFD/DIL1/OW/P/2021/1966/1, acceded the request of the Company subject to the Company making suitable disclosure to all the shareholders by way of errata to the AGM and explanatory Statement disclosing the details of ultimate beneficial owners of Trigem in newspaper having wide circulation and disclosing this letter to BSE Limited and NSE Limited (Stock Exchanges) and placing the same before the Board in it's next meeting.

The Company has made compliance with the same.

- e) A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D & CC / FITTC/ Cir- 16/2002 dated December 31, 2002, the total admitted equity share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.
- f) Pursuant to Section 177 of the Companies Act, 2013 and under Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has adopted Vigil Mechanism (Whistle Blower Policy) for the directors and employees of the Company to deal with instances of fraud and mismanagement, unethical behaviour, violation of code of conduct and personnel policies of the Company if any and to ensure that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. No person has been denied access to the Audit Committee. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of <http://dynacons.com/wp-content/uploads/2020/08/Vigil-mechanism-policy-DSSL-Final.pdf>.
- g) The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.
- h) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Chairman cum Managing Director & CFO on the compliance declarations received from the members of the Board and Senior Management. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link <http://dynacons.com/Code%20of%20conduct.pdf>
- i) Terms of Appointment of Independent Directors
- Terms and conditions of appointment of Independent Directors are available on the Company's website at the web link <http://dynacons.com/Independent%20Directors%20T&C.pdf>
- j) Shareholders
- (i) Mr. Shirish Anjaria, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (ii) Disclosure of Commodity price risks and Commodity hedging activities.
The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.
- k) Auditors' certificate on corporate governance

As required by Schedule V of the Listing Regulations, the certificate on corporate governance issued by Mr. Hemant Shetye (Membership No. FCS 2827) designated partner of HSPN & Associates LLP, (Formerly known as HS Associates), Practicing Company Secretaries, Mumbai, is enclosed as an Annexure to the Board's Report.

- l) The Board of Directors has approved a policy for determining materiality of events and making disclosures to Stock Exchanges.
- m) Details of compliance with Mandatory requirements and adoption of non-mandatory requirements:
1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
 2. The Company has not adopted the non-mandatory requirement as specified in the Listing Regulations.
- n) The Company has not raised funds through qualified institutions placement under Regulation 32(7A) of the Listing Regulations, however, the Board had converted 9,60,000 warrants into Equity shares on September 01, 2022, for which the Company received listing approval from BSE Limited on October 07, 2022 and National Stock Exchange of India Limited on September 30, 2022 and Trading approval from BSE Limited and National Stock Exchange of India Limited on October 20, 2022. The board had also converted 4,55,000 warrants into Equity shares on September 24, 2022, for which the Company received listing approval from BSE Limited on November 04, 2022 and National Stock Exchange of India Limited on October 27, 2022 and Trading approval from BSE Limited on November 15, 2022 and National Stock Exchange of India Limited on November 14, 2022. The funds raised were utilized to meet long term working capital, general corporate purpose and such other purpose as decided by the Board
- o) No equity shares were suspended from trading during the Financial Year 2022-23.
- p) The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts during the Financial Year 2022-2023;
- q) None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by Mr. Hemant Shetye, Company Secretary (Membership No. FCS 2827) designated partner of HSPN & Associates LLP, (Formerly known as HS Associates), Practicing Company Secretaries is annexed to this Report.
- r) In the financial year 2022-2023 the board has accepted all recommendations of its Committees.
- s) The details of total fees for all services paid by the Company to M/s. M S P & Co. (Firm Registration No. 107565W) Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditors are part, are as follows –

Sr. No.	Particulars	Amount (in ₹)
1	Statutory Audit Fees	9,00,000
2	Tax Audit Fees	-
3	Others	-
4	Total	9,00,000

- t) The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.
- u) The Company has complied with all the requirement of Corporate Governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.
- v) The Company has adopted Policy on Determination of Materiality under Regulation 30 of SEBI Listing Regulations, which is disclosed on the Company's website at <http://dynacons.com/Policy%20for%20Determination%20of%20Materiality%20of%20Events%20or%20Information.pdf>

w) Discretionary Requirements

1. The auditors' report on financial statements of the Company are unmodified.
2. Internal auditors of the Company make half-yearly presentations to the Audit Committee on their reports.

x) Subsidiary Companies

The Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. The Company has Dynacons Systems & Solutions Pte. Ltd., a non-material subsidiary. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: <http://dynacons.com/POLICY%20ON%20MATERIAL%20SUBSIDIARIES.pdf>

The audit committee reviews the consolidated financial statements of the Company and the investments, if any, made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

- y) The Company has adopted policy on Archival and Preservation and Documents which is disclosed on Company's website at <http://dynacons.com/Policy-for-Preservation-and-Archival-of-documents.pdf>.
- z) The Company had declared Interim dividend of ₹ 0.50 per equity share of the face value of ₹ 10/-each for the financial year ended March 31, 2023, on August 10, 2022, and paid to all shareholders eligible as on record date August 23, 2022. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2023. The Company has adopted Dividend Distribution Policy as per Regulation 43A of SEBI (LODR) Regulations, 2015, which is disclosed on Company's website at <http://dynacons.com/wp-content/uploads/2020/08/Dividend-Distribution-Policy-DSSL-Final.pdf>.
- aa) In accordance with the requirement of disclosure under Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, for details of equity shares in the suspense account is not applicable to the Company
- bb) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director and CEO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link <http://dynacons.com/Code%20of%20conduct.pdf>
- cc) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount: None
- dd) *Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company expired at the 27th Annual General Meeting of the Company ceased to be a Non-executive, Independent Director and as Chairperson of Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 05, 2022 and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. September 30, 2022.
- ee) *Mr. Vijay Doshi, was appointed as Non-Executive, Independent Director of the Company and as a Chairperson of Nomination & Remuneration Committee and Risk Management Committee and as member of Audit Committee and Stakeholders' Relationship & Grievance Committee w.e.f. September 05, 2022.

15. POLICY FOR PROHIBITION OF INSIDER TRADING

Vide notification No.EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India (SEBI) has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has

accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on the website of the Company at <http://dynacons.com/Code-of-Practices%20and%20Code%20of%20Conduct.pdf>. The Company in its Board meeting held on March 20, 2019 has taken necessary initiative to implement the same. The Code also provides for pre-clearance of transactions by designated persons, whenever required.

16. CEO & CFO CERTIFICATION

In terms of Listing Regulations, the certification by the Managing Director and the Chief Financial Officer is annexed to this Annual Report.

17. COMPLIANCE ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Regulations 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published in the Annual Report.

18. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

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

In light of the aforesaid provisions, the Company was not required to transfer unclaimed /unpaid dividend amount to IEPF as the Company had declared its first Interim dividend in the Board Meeting held on August 14, 2019.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2019-2020	August 14, 2019	September 19, 2026
2020-2021	September 15, 2020	October 21, 2027
2021-2022	August 12, 2021	September 17, 2028
2022-2023	August 10, 2022	September 15, 2029

19. CORPORATE ETHICS:

The consistent endeavor of Dynacons Systems & Solutions Ltd. is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. The Company has adopted "the Code of Conduct for prevention of Insider Trading", which contains policies prohibiting insider trading. As per SEBI / Stock Exchanges Guidelines, the Company has also promulgated Code of Conduct to be followed by Directors and Management.

CFO/CEO CERTIFICATION

To,
The Board of Directors
Dynacons Systems & Solutions Ltd.
Mumbai

We, hereby to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2023, and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or violates the Company's Code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;
 - i) There has not been any significant change in internal control over financial reporting;
 - ii) All the significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statement; and
 - iii) There were no instances of significant fraud of which we became aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Dynacons Systems & Solutions Ltd**

Shirish M. Anjaria
Chairman cum
Managing Director
DIN: 00444104

Dharmesh S. Anjaria
Chief Financial Officer &
Executive Director
DIN: 00445009

Place: Mumbai
Dated: September 04, 2023

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Shareholders
DYNACONS SYSTEMS & SOLUTIONS LIMITED
78, Ratnajyot Industrial Estate,
Irla Lane Vile Parle (West),
Mumbai, Maharashtra - 400056

The Corporate Governance Report prepared by Dynacons Systems & Solutions Limited (“the Company”), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) with respect to Corporate Governance for the year ended March 31, 2023 pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and Bombay Stock Exchange Limited (collectively referred to as the “Stock Exchanges”).

Management’s Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

Auditor’s Responsibility

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended March 31, 2023 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

In our opinion, based on our examination of the relevant records and to the best of our information and according to explanations given to us, and representations provided by the management, we certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations.

Other Matters and Restriction on use

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2023, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Mumbai.
Date: September 04, 2023
UDIN: F002827E000928466
Peer Review No. 2507/2022

For HSPN & Associates LLP,
Company Secretaries

Mr. Hemant Shetye
Designated Partner
FCS: 2827
COP: 1483

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – www.dynacons.com

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2023.

For Dynacons Systems & Solutions Ltd.

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place: Mumbai
Dated: September 04,2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Dynacons Systems & Solutions Limited
78, Ratnajyot Industrial Estate, Irla Lane,
Vile Parle (West), Mumbai-400056.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dynacons Systems & Solutions Limited having CIN L72200MH1995PLC093130 and having registered office at 78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (West), Mumbai-400056 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT *
1	Shirish Mansinh Anjaria	00444104	26/09/1995
2	Parag Jitendra Dalal	00409894	26/09/1995
3	Dharmesh Shirish Anjaria	00445009	30/09/1998
4	Jitesh Jayantilal Jain	00282797	19/09/2015
5	Vijay Maganlal Doshi	09716581	05/09/2022
6	Archana Vinayak Phadke	07138774	27/03/2015

Note- *the date of appointment is as per the MCA Portal.

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

**For HSPN & Associates LLP,
Company Secretaries**

**Mr. Hemant Shetye
Designated Partner
FCS: 2827
COP: 1483**

**Place: Mumbai
Date: September 04, 2023
UDIN: F002827E000928224
Peer Review No. 2507/2022**

Independent Auditor's Report**To the Members of Dynacons Systems & Solutions Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Dynacons Systems & Solutions Limited ("the Company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the 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, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

- A) Revenue for the Company consists primarily of sale of goods recognized and provision of services as per the accounting policy described in Note 1.2.2 forming part to the accompanying standalone financial statements. Refer Note No. 24 forming part of financial statements for details of revenue recognized during the year.

The Company recognizes revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, adopted by the Company from the current year, by transferring the control of goods to its customers through delivery evidenced by acknowledgement of receipt of goods by such customers. Considering the large volume of revenue transactions near period end, there may be a risk of revenue recognition occurring before the satisfaction of the performance obligations by the company in accordance with the applicable terms. Under Standards on Auditing 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk that revenue may be misstated owing to the improper recognition of revenue.

Considering the above factors, revenue recognition (cut-off) was identified as a key audit matter for the current year audit.

Auditor's Response:

Our audit work included, but was not limited to, the following procedures:

- Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the accounting policy adopted by the company for revenue recognition.
- Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice verification, transporter confirmations and customer acknowledgements.
- Tested operating effectiveness of the above identified key controls over revenue recognition near period end.
- For samples selected from revenue recorded during specific period, before and after year end.
- Verified the customer contracts for delivery terms verified the customer acknowledgements to evidence proof of delivery for domestic sales at or near period end.

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 information included in the Board's report but does not include the Secretarial Audit report, Standalone financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's report and Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make disclosures and take specific actions as per applicable laws and regulations, if required.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) with respect to preparation of standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

As part of an audit in accordance with SA's, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required 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 achieve fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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

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 Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”.
- (g) With respect to 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 No.31.7 forming part of the financial statements.
 - ii. The Company has long term contracts as at March 31, 2023 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2023.
 - iii. There has been no delay in transferring amounts, 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested 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, whether, 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 : and

(2) The management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, 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, that the Company shall, whether, 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; and

(3) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For M S P & CO.
Chartered Accountants
Firm Registration No. 107565W

M.S. Parikh, Partner
Membership No.: 08684
Mumbai
May 26, 2023
UDIN: 23008684BGVQTA9581

“Annexure A” forming part of Independent Auditor’s Report

The Annexure referred to in our Independent Auditor’s Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2023, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- 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.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right-of use assets have been physically verified by the management according to the programme of periodical verification in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.
- (c) There are no immovable properties held in the name of the Company, therefore this clause of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment (including right-of use assets) and intangible assets during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) (a) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business and there are no discrepancies on physical verification of each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks during the year on the basis of security of current assets of the company. The quarterly returns/statements filed by the company with such banks are in agreement with the books of accounts of the company.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act, therefore the provision of clause (a) and clause (b) are not applicable.
- iv) The Company has not given any loan, investment, guarantee and security to which section 185 and 186 of the Act applies, therefore this clause of the Order is not applicable to the Company.
- v) The Company has not accepted any deposit and hence directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of Companies Act, 2013 and Rules framed thereunder reporting under clause 3(v) of the Order is not applicable.
- vi) The Central Government has prescribed the maintenance of cost records under sub- section (1) of section 148 of the Act and we have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) According to the information and explanations given to us in respect of statutory dues:-
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs,

duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- b) According to information and explanation given to us, there are no disputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST, Custom and Excise duty and other statutory dues which have not been deposited on account of dispute except as stated below :-

Particulars	Period to which amount relates	Forum where the dispute is pending	Amount (₹ in Lakhs)
Goods and Services Tax	FY 2018-19	Appeal to Appellate Authority	9.64

- viii) According to the information and explanations given to us, Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including the loans and interest which are repayable on demand.
- (b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared wilful defaulter by any bank, financial institution or other lenders or government or any government authority.
- (c) According to the information and explanations given to us and as per the books and records examined by us, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, therefore the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, therefore the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x) (a) According to the information and explanations given to us and as per the books and records examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and as per the books and records examined by us, the Company has made preferential allotment or private placement of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds are raised.

- xi) (a) According to the information and explanations given to us and as per the representation received from the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, the Company has not received any whistle blower complaints during the year.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company; hence Clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note No. 30.3 to the financial statements.

- (b) There are no unspent amounts and ongoing projects in the Company, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- xxi) There are no qualifications or adverse remarks reported by the auditor of the Subsidiary Company, therefore the clause (xxi) of the Order is not applicable.

For M S P & CO.
Chartered Accountants
Firm Registration No. 107565W

M.S. Parikh, Partner
Membership No.: 08684
Mumbai
May 26, 2023
UDIN: 23008684BGVQTA9581

Annexure B” forming part of Independent Auditor’s Report

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

We have audited the internal financial controls over financial reporting of Dynacons Systems & Solutions Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 unauthorised 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 over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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.

For M S P & CO.
Chartered Accountants
Firm Registration No. 107565W

M.S. Parikh, Partner
Membership No.: 08684
Mumbai
May 26, 2023
UDIN: 23008684BGVQTA9581

Standalone Balance Sheet as at 31st March, 2023

(₹ In Lakhs)

Particulars	Note No.	As at	
		31 st March, 2023	31 st March, 2022
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	368.37	403.70
(b) Right-of-use assets	2	304.54	204.92
(c) Investment in Subsidiary	3	5.05	5.05
(d) Financial Assets			
(i) Investments	4	50.35	51.12
(ii) Other Financial Assets	5	168.25	143.09
(e) Deferred Tax Assets (Net)	6	44.29	39.37
		<u>940.85</u>	<u>847.25</u>
2 Current assets			
(a) Inventories	7	3,663.38	7,090.64
(b) Financial Assets			
(i) Trade receivables	8	30,060.86	17,567.60
(ii) Cash and cash equivalents	9	1,621.89	727.56
(iii) Other balances with banks	10	2,956.78	2,804.54
(iv) Short-term loans and advances	11	34.59	13.21
(v) Other Financial Assets	12	626.44	812.50
(c) Other Current Assets	13	317.05	28.89
		<u>39,280.98</u>	<u>29,044.93</u>
TOTAL		<u><u>40,221.83</u></u>	<u><u>29,892.18</u></u>
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	1,269.31	1,127.81
(b) Other Equity	15	9,186.97	5,657.72
		<u>10,456.27</u>	<u>6,785.53</u>
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,596.25	1,200.95
(ii) Lease Liabilities	17	257.41	171.80
(b) Long-Term Provisions	18	260.54	217.28
(c) Other non-current liabilities	19	13.74	6.27
		<u>2,127.94</u>	<u>1,596.29</u>
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	4,946.65	4,973.47
(ii) Lease Liabilities	21	62.53	68.28
(iii) Trade Payables	22		
(a) Dues of micro enterprises and small enterprises		3.06	3.99
(b) Dues of creditors other than micro enterprises and small enterprises		21,891.28	16,046.61
(b) Other Current Liabilities	23	734.10	418.01
		<u>27,637.61</u>	<u>21,510.35</u>
TOTAL		<u><u>40,221.83</u></u>	<u><u>29,892.18</u></u>

The accompanying notes form an integral part of the Standalone financial statements.

Notes on Financial Statements

1-31

As per our report of even date attached

For M S P & CO.

Chartered Accountants

Firm Registration 107565W

For and on behalf of the Board of Directors

Dynacons Systems & Solutions Ltd.

CIN No: L72200MH1995PLC093130

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Parag Dalal

Executive Director

DIN : 00409894

M. S. PARIKH

Partner

Membership No. 08684

Dharmesh Anjaria

Executive Director

DIN : 00445009

Pooja Patwa

Company Secretary &

Compliance Officer

Membership No. A60986

Mumbai : May 26, 2023

Standalone Profit and Loss Statement for the year ended 31st March, 2023

(₹ In Lakhs)

Particulars		Note No.	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
1	INCOME			
(a)	Revenue from Operations	24	80,414.50	65,397.61
(b)	Other Income	25	229.58	186.56
2	Total Revenue		<u>80,644.07</u>	<u>65,584.17</u>
3	EXPENSES			
(a)	Purchases of Stock-In-Trade	26	67,267.49	61,681.89
(b)	Changes In Inventories Of Stock-In-Trade	27	3,427.26	(2843.98)
(c)	Employee Benefits Expense	28	3,076.37	2,756.82
(d)	Finance Costs	29	1,086.84	893.28
(e)	Depreciation And Amortisation Expense	2	136.28	135.53
(f)	Other Expenses	30	1,189.57	755.32
4	Total Expenses		<u>76,183.82</u>	<u>63,378.85</u>
5	Profit before tax		4,460.26	2,205.31
6	Tax Expense:			
(a)	Current Tax		1,127.53	573.75
(b)	Deferred Tax		(4.92)	(14.42)
			<u>1,122.61</u>	<u>559.33</u>
7	Profit for the year		3,337.65	1,645.98
8	Other Comprehensive Income			
(i)	Items that will not be reclassified to profit or loss			
a)	Measurement of defined employee benefit plan		(11.37)	(9.16)
b)	Equity instruments through other comprehensive income		(0.76)	12.11
(ii)	Income tax relating to items that will not be reclassified to profit or loss		2.85	2.30
	Other comprehensive income for the year, net of tax		<u>(9.28)</u>	<u>5.25</u>
9	Total comprehensive income for the year		<u>3,328.37</u>	<u>1,651.23</u>
10	Earnings per equity share (Profit for the year)			
(i)	Basic (In ₹)		27.71	15.39
(ii)	Diluted (In ₹)		27.64	13.59
	Weighted average number of equity shares			
(i)	Basic		1,20,42,751	1,06,94,601
(ii)	Diluted		1,20,75,501	1,21,09,601

The accompanying notes form an integral part of the standalone financial statements

Notes on Financial Statements

1-31

As per our report of even date attached

For M S P & CO.

Chartered Accountants

Firm Registration 107565W

For and on behalf of the Board of Directors

Dynacons Systems & Solutions Ltd.

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Dharmesh Anjaria

Executive Director

DIN : 00445009

Pooja Patwa

Company Secretary &

Compliance Officer

Membership No. A60986

Mumbai : May 26, 2023

Standalone Cash Flow Statement for the Year Ended 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	4,460.26	2,205.31
Add: Depreciation And Amortisation Expense	136.28	135.53
(Profit)/Loss on wloff of Property, Plant and Equipment	0.65	5.18
(Profit)/Loss on sale of Property, Plant and Equipment	-	3.50
Finance Costs	1,086.84	893.28
Reversal of lease rentals	(27.34)	-
Share based payments to employees	50.93	-
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	13.68	-
	1,261.03	1,037.49
Operating profit before working Capital	5,721.29	3,242.80
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	3,427.26	(2843.98)
Trade receivables	(12506.93)	(7378.07)
Other non current financial assets	(25.16)	(111.41)
Other current financial assets	12.43	(1834.82)
Other current assets	(1022.51)	(133.73)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	5,843.74	8,074.80
Other current liabilities	316.09	(218.09)
Other non current Liabilities	7.48	1.89
Provisions	31.89	64.33
	(3915.70)	(4379.08)
Cash Generated from Operations	1,805.58	(1136.28)
Taxes paid	(344.03)	(332.00)
Net Cash Flow from operating activities	1,461.55	(1468.27)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(30.14)	(241.91)
Sale of Property, Plant and Equipment	0.00	124.84
Net Cash Used for Investing Activities	(30.14)	(117.07)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilites	(63.87)	(62.17)
Money received against share warrants	297.15	240.45
Dividend Paid	(52.00)	(50.67)
Long-term borrowings (net)	395.30	839.64
Short-term borrowings (net)	(26.82)	1,289.05
Interest Paid	(1086.84)	(893.28)
Net cash From Financing Activities	(537.09)	1,363.02

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
D Net Increase in Cash and Cash Equivalents (A+B+C)	894.32	(222.32)
E Cash and Cash Equivalents (Opening Balance)	727.56	949.88
F Cash and Cash Equivalents (Closing Balance)	1,621.89	727.56
Component of Cash & Cash equivalents		
Cash on hand	0.15	1.29
Balances with banks in current accounts	81.42	66.32
Demand deposits with Banks	1,540.32	659.95
	1,621.89	727.56

Notes 1 to 31 form an integral part of these standalone financial statement

As per our report of even date attached
For M S P & CO.
Chartered Accountants
Firm Registration 107565W

For and on behalf of the Board of Directors
Dynacons Systems & Solutions Ltd.
CIN No: L72200MH1995PLC093130

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Pooja Patwa
Company Secretary &
Compliance Officer
Membership No. A60986

Mumbai : May 26, 2023

STATEMENT OF CHANGES IN EQUITY
For the year ended 31st Mar, 2023

A. Equity Share Capital (Note No. 14)

(₹ In Lakhs)

Particulars	Equity Share Capital
As at 1st April 2021	1,013.31
Changes in Equity Share Capital	114.50
As at 31st March 2022	1,127.81
As at 1st April 2022	1,127.81
Changes in Equity Share Capital	141.50
As at 31st March 2023	1,269.31

B. Other Equity (Note No. 15)

(₹ In Lakhs)

	Reserve and Surplus			Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Share Option Outstanding	Retained Earnings			
	₹	₹	₹			
Balance as at 1 st April 2021	497.80	-	3267.07	(12.86)	179.20	3931.21
Total Comprehensive Income for the year						
Additions during the year	206.10	-	1645.98	-	240.45	2092.53
Measurement of defined employee benefit plan	-	-	-	(9.16)	-	(9.16)
Equity instruments through other comprehensive income	-	-	-	12.11	-	12.11
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	2.30	-	2.30
Dividend Paid	-	0.00	(50.67)	-	-	(50.67)
Issue of Equity Shares	-	-	-	-	(114.50)	(114.50)
Transfer to Securities Premium Account	-	-	-	-	(206.10)	(206.10)
Balance as at 31st March 2022	703.90	-	4862.39	(7.61)	99.05	5657.72
Balance as at 1st April 2022	703.90	-	4862.39	(7.61)	99.05	5657.72
Total Comprehensive Income for the year						
Additions during the year	254.70	-	3337.65	(9.28)	297.15	3880.22
Share options expenses for the year	-	97.23	-	-	-	97.23
Dividend Paid	-	-	(52.00)	-	-	(52.00)
Issue of Equity Shares	-	-	-	-	(141.50)	(141.50)

	Reserve and Surplus			Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Share Option Outstanding	Retained Earnings			
	₹	₹	₹			
Transfer to Securities Premium Account	-	-	-	-	(254.70)	(254.70)
Balance as at 31 st March 2023	958.60	97.23	8148.03	(16.89)	-	9186.97

As per our report of even date attached
For M S P & CO.
Chartered Accountants
Firm Registration 107565W

For and on behalf of the Board of Directors
Dynacons Systems & Solutions Ltd.
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Company Secretary &
Compliance Officer
Membership No. A60986

Mumbai : May 26, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**Note 1: Summary of significant accounting policies and other explanatory information****1.1 Company Overview**

Dynacons Systems & Solutions Ltd. (hereinafter referred to as "Dynacons") is a 28 years old IT company with global perspectives with its headquarters at Mumbai and branches all over India. The Company has a large pool of technical resources who are present at more than 250 locations across India. The Company has all the industry leading certifications such as CMMI Level 3, ISO 9001, ISO 20000, ISO 27000 among others.

Dynacons undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration and set up of large Network and Data Centre infrastructures including supply of associated equipment and software; Hyper Converged Infrastructure (HCI) solutions, Setup of Private and Public Cloud, Software Defined Network (SD WAN) and Software Defined Storage (SDS) solutions, Network Infrastructure design and setup for ISPs, VDI Solutions, onsite and remote facilities management of multi- location infrastructure of domestic clients. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure.

Dynacons provides all service models such as IaaS (Infrastructure as a Service), PaaS (Platform as a Service) and SaaS (Software as a Service). Dynacons' Enterprise Services offerings include a wide spectrum of Enterprise IT Services including Infrastructure Managed Services, Breakfix Services, Managed Print Services, Cloud Computing, Systems Integration Services, and Applications Development and Maintenance. The Company provides end-to-end technology and technology related services to corporations across industry verticals. The Company has deep domain knowledge across industry sectors and technology expertise across traditional and new age technologies.

The company was incorporated under provisions of Co's act 1956, having its Registered Office at 78, Ratnajyot Industrial Estate, Irla Lane, Vile parle West, Mumbai 400056 (CIN No L72200MH1995PLC093130). Standalone Financial Statements for the year ended 31st March, 2023 were approved and authorized for issue by Board of Directors on 26th May, 2023.

1.2 SIGNIFICANT ACCOUNTING POLICIES:**1.2.1. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS****a) Statement of compliance**

The standalone financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The standalone financial statements were approved for issue by the Board of directors on 26th May, 2023.

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value.

b) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs unless otherwise indicated.

c) Current and non-current classification

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

d) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

e) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

- Lease classification – Note 1.2.17

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax expense and payable – Note 1.2.14
- Estimated useful life of property, plant and equipment and Intangible assets – Note 1.2.8
- Estimation of defined benefit obligations— Note 1.2.13
- Impairment of trade receivables- Note 1.2.19

f) Measurement of fair values

The Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.2.2. Revenue Recognition

1.2.2.1. Sale of goods:

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract Assets

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.2.2.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms and conditions of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

1.2.2.3. Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc. and as per terms & conditions under the contract with the customers.

1.2.2.4. Other Income

- i) Profit on sale of investments is determined as the difference between the sales price and the carrying value of the investment upon disposal of investments.
- ii) Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.
- iii) Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ;
- or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that

have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

- iv) Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
- v) Interest on Refund from Income Tax Department / GST department / Environment agencies are accounted for on receipt basis.

1.2.3. Expenditure Recognition

Expenses are accounted on the accrual basis and on crystallisation of such expenses. And provisions for all known losses and liabilities are made. Provisions are made for future unforeseeable factors, which may affect the ultimate profit on fixed price software development contracts. Expenses on software development on time-and-material basis are accounted for in the year in which it is expended. Expenses incurred for future software projects are carried forward and will be adjusted against revenue, based on the completion method. In case of new products, which are clearly defined and the costs are attributable to the products, such costs are deferred and amortized equally over a period of three to five years based on Management's evaluation of expected sales volumes and duration of the product life cycle.

1.2.4. Changes in significant accounting policies

Ministry of Corporate Affairs ("MCA") notifies new accounting standards. There is no such notification which would have been applicable from 01 April, 2021. Accordingly no new accounting standards are adopted by the company during the current year.

1.2.5. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

1.2.6. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.2.7. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.8. Property, plant and equipment**Buildings and other equipment**

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within other income or other expenses.

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

Tangible assets are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of tangible assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of tangible assets not ready for the intended use as at balance sheet date are disclosed as "capital work in progress".

Impairment testing of intangible assets and property, plant and equipment

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Depreciation

Depreciation on tangible assets is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by Management based on technical evaluation and advice. The residual value is 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Part C of Schedule II to the Companies Act, 2013 are as under:

Type of asset	Estimated useful life (Years)
Building	20
Plant and equipment	
- Computers – Desktops / Laptops	6
- Computers – Servers / Storages	3
- Computers – Others	2
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Intangible assets	6

Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

1.2.9. Research & Development Expenditure

Revenue expenditure pertaining to research is charged to the standalone statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment

1.2.10. Inventories

Inventories are valued at the lower of the cost and the net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost is determined on a First in First out basis. A periodic review is made of slow-moving stock and appropriate provisions are made for anticipated losses, if any.

1.2.11. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Long-term investments other than investment in subsidiaries are valued at fair market value. Provision is made for diminution in value to recognize a decline, if any, other than that of temporary in nature. Current investments are valued at lower of cost and fair market value. Gains or losses that arise on disposal of an investment are measured as the difference between disposal proceeds and the carrying value and are recognised in the statement of profit and loss.

1.2.12. Foreign Currency transactions

Reporting and presentation currency

The standalone financial statements are presented in Lakhs of Indian Rupees, which is also the functional currency of the Company.

Foreign currency transactions and balances

- i) Initial Recognition: Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Conversion: At the year-end, monetary items in foreign currencies are converted into rupee equivalents at the year end exchange rates.

1.2.13. Retirement Benefits to employees**i. Post-employment benefit plans****Defined contribution plan**

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Defined Benefit plan

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). Past service cost is recognized to the extent the benefits are already vested, and otherwise is amortized on a Straight-Line method over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

ii. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognized during the period when the employee renders the service. These benefits include performance incentives, paid annual leave, medical allowance, etc.

1.2.14. Income Tax

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

1.2.15. Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.2.16. Provisions (other than employee benefits) and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and

adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the note 31.7 Contingent assets are not recognised in the financial statements.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

1.2.17. Leases

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

The Company's lease asset primarily consist of lease for buildings. 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. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Finance Lease

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principle component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

1.2.18. Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortized cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at amortized Cost

Financial assets at amortized Cost Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by- instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in profit and loss.

1.2.19. Impairment

a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

Financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets are carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the standalone statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

1.2.20. Share based payment transactions:

Employee Stock Option Plans (“ESOPs”):

The fair value of options determined at the grant date is recognized as an employee expense on a straight line basis (on the basis of multiple vesting of options granted), with a corresponding increase in other equity under “Employee Stock Options Outstanding account”, over the vesting period of the grant, where the employee becomes entitled to the options. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the “Employee Stock Options Outstanding account”.

Stock Options are granted to eligible employees in accordance with “Dynacons - Employees Stock Option Plan 2020”

(ESOP 2020), as approved by the Shareholders in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 which was amended by the Board of Directors of the Company to align with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Under Ind AS 102 on Share based Payment, the cost of stock options is recognised based on the fair value of stock options as on the grant date.

1.2.21. Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

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

Notes forming part of the standalone financial statements for the year ended 31st Mar, 2023

2 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

(₹ In Lakhs)

Particulars	Property, Plant and Equipment						Right of Use assets
	Furnitures & Fixtures	Building	Vehicles (Cars)	Office Equipment	Computer	Total	
Gross block							
Balance as at 1 April 2021	13.39	100.23	155.75	5.08	292.28	566.72	359.67
Additions	-	-	132.00	1.12	108.80	241.91	0.00
Disposals	-	100.23	84.50	0.00	93.63	278.35	6.62
Balance as at 31 March 2022	13.39	-	203.24	6.19	307.45	530.27	353.05
Additions	25.13	-	-	5.01	-	30.14	250.85
Disposals	5.19	-	-	1.10	19.90	26.19	232.30
Acquisitions through business combinations	-	-	-	-	-	-	-
Amount of change due to revaluation	-	-	-	-	-	-	-
Balance as at 31 March 2023	33.33	-	203.24	10.10	287.55	534.23	371.60
Accumulated depreciation/ amortisation							
Balance as at 1 April 2021	3.94	1.33	62.23	2.05	136.82	206.37	80.94
Depreciation / amortisation for the year	1.29	3.46	24.33	0.85	35.11	65.04	70.49
Reversal on disposal of assets	-	4.79	51.59	-	88.45	144.83	3.29
Balance as at 31 March 2022	5.23	-	34.97	2.90	83.47	126.57	148.14
Depreciation/ amortisation for the year	1.60	-	28.86	1.07	33.29	64.82	71.46
Reversal on disposal of assets	5.09	-	-	0.95	19.50	25.54	152.53
Balance as at 31 March 2023	1.75	-	63.83	3.02	97.26	165.86	67.06
Net Block							
Balance as at 1 April 2022	8.16	-	168.27	3.30	223.98	403.70	204.92
Balance as at 31 March 2023	31.59	-	139.41	7.09	190.29	368.37	304.54

Of the above, charge has been created over Furnitures & Fixtures, Vehicles, Office Equipments and Computers in regard to borrowings (Refer note 20.1)

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

		(₹ In Lakhs)	
Particulars		As at 31 st March, 2023	As at 31 st March, 2022
3	INVESTMENT IN SUBSIDIARY		
	Fully paid equity shares (unquoted) at cost		
(i)	Dynacons Systems & Solutions PTE Ltd (7,678 (31 st March, 2022 - 7,678) Equity Shares of US\$ 1/- each)	5.05	5.05
		5.05	5.05
(ii)	Extent of investment in subsidiary -Dynacons Systems & Solutions PTE Ltd	100%	100%
(iii)	Aggregate amount of: -Unquoted investments	5.05	5.05
4	NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
	Investments designated at fair value through Other Comprehensive Income		
(i)	In Equity Shares - Quoted, fully paid up Bank of Baroda Limited (220 (31 st March, 2022 - 220 Equity Shares of ₹ 10 each fully paid up)	0.25	0.25
(ii)	In Units of Mutual Fund - Quoted, fully paid up Bank of Baroda Large & Midcap Fund - Direct Plan - Growth Option (Unit 299675.326 (31 st March, 2022 - 299675.326) Equity Shares of ₹ 10 each fully paid up)	50.11	50.87
	Total	50.35	51.12
	Aggregate amount of Quoted Investment	50.35	51.12
	Aggregate amount of Un Quoted Investment	0.00	0.00
	Market Value of Quoted Investment	50.35	51.12
	Equity Investment carried at cost	0.00	0.00
	Investment carried at fair value through other Comprehensive Income	50.35	51.12
	Investment carried at fair value through P & L	0.00	0.00
(iii)	The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').		
5	OTHER FINANCIAL ASSETS		
	Bank deposits with more than 12 months maturity	168.25	143.09
	Deposits Accounts of ₹168.25 Lakhs (As at 31 st March, 2022 ₹143.09 lakhs) pledged for facilities from Banks. (Refer Note 20.1)		
	Total	168.25	143.09
6	DEFERRED TAX ASSET NET		
(a)	Amounts recognized in profit and loss		
	Current tax expense (A)		
	In respect of current year	1,127.53	573.75
	Deferred tax expense (B)		
	In respect of current year	(4.92)	(14.42)
	Tax expense recognized in the income statement (A+B)	1,122.61	559.33

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31 st March, 2023			For the year ended 31 st March, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	(11.37)	2.85	(8.52)	(9.16)	2.30	(6.86)
Equity instruments through other comprehensive income	(0.76)	0.00	(0.76)	12.11	0.00	12.11
	(12.13)	2.85	(9.28)	2.95	2.30	5.25

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2023		For the year ended 31 st March, 2022	
	%	Amounts	%	Amounts
Profit before tax		4,460.26		2,205.31
Tax using the Company's domestic tax rate	25.17%	1,122.56	25.17%	555.03
Tax effect of:				
Timing Difference	1.86%	20.83	4.84%	26.85
Permanent Difference	-1.85%	(20.78)	-1.47%	(22.55)
Others	0.00%	0.00	0.00%	0.02
TOTAL	0.00	0.05	3.37%	4.32
Effective income tax rate	25.17%	1,122.61	28.54%	559.35

(d) Movement in deferred tax

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Provisions - employee benefits	53.54	51.03	0.00	0.00	(53.54)	(51.03)
Property, plant and equipment	0.00	0.00	61.58	38.57	61.58	38.57
Lease Rentals	52.33	26.90	0.00	0.00	(52.33)	(26.90)
Deferred tax (assets) liabilities	105.87	77.94	61.58	38.57	(44.29)	(39.37)

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
7 INVENTORIES		
Stock-in-trade	3,663.38	7,090.64
Total	3,663.38	7,090.64

Inventories of ₹ 3663.38 Lakhs (as at 31st March, 2022: ₹ 7090.64 Lakhs) are hypothecated against working capital facilities from banks. (Refer note 20.1)

8 TRADE RECEIVABLES

Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	30,060.86	17,567.60
Trade Receivables which have significant increase in Credit Risk;	13.68	-
Trade Receivables - credit impaired	-	-
	30,074.53	17,567.60
Less Provision for expected credit loss	13.68	-
Total	30,060.86	17,567.60

8.1 Movement in allowance for expected credit loss

Balance at the beginning of the year	-	17.54
Amounts written off	-	(17.54)
Allowance during the year	13.68	-
Reversal during the year	-	-
Balance at the end of the year	13.68	-

8.2 Trade Receivables ageing schedule

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	27,759.64	1,149.66	328.32	644.07	179.16	30,060.86
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-
Ageing Schedule is in respect of Overdue cases including where no due date of payment is specified						

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at	
	31 st March, 2023	31 st March, 2022

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	14,854.21	1,922.73	276.00	313.16	201.49	17,567.60
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

8.3 Trade Receivables of Rs 30060.86 lakhs (as at 31st March, 2022: ₹ 17567.60 Lakhs) are hypothecated against working capital facilities from banks. (Refer note 20.1)

8.4 The carrying amount of the Trade Receivables are considered as a reasonable approximation of fair value as it is expected to be collected within twelve months

8.5 The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 31.9

9 CASH AND CASH EQUIVALENTS

Cash on hand	0.15	1.29
Balances with banks in current accounts	81.42	66.32
Demand deposits with Banks	1,540.32	659.95
Total	1,621.89	727.56

Deposits Accounts of ₹1540.32 Lakhs (As at 31st March, 2022 ₹ 659.95 lakhs) pledged for facilities from Banks. (Refer Note 20.1)

10 OTHER BALANCES WITH BANKS

Balances with bank held as margin money	2,956.78	2,804.54
Total	2,956.78	2,804.54

11 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)

Loans & Advances to employees	34.59	13.21
Total	34.59	13.21

12 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)

Security Deposits	626.44	812.50
Total	626.44	812.50

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
13 OTHER CURRENT ASSETS		
Duties & Taxes (Net of provisions)	317.05	28.89
Total	317.05	28.89
14 EQUITY SHARE CAPITAL		
(a) Authorised Share Capital		
30,000,000 Equity shares of ₹10 each (Previous Year 30,000,000 Equity shares of ₹10 each)	3,000.00	3,000.00
(b) Issued, Subscribed and Fully Paid up :		
(1,26,93,080) Equity shares of ₹ 10 each (Previous year 1,12,78,080 Equity shares of ₹ 10 each)	1,269.31	1,127.81

14.1 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	1,12,78,080.00	1,127.81	1,01,33,080.00	1,013.31
Issued during the year	14,15,000.00	141.50	11,45,000.00	114.50
Equity Shares at the end of the year	1,26,93,080.00	1,269.31	1,12,78,080.00	1,127.81

Additional Information

Sr. no	Promoter's Name	2022-23			2021-22		
		Warrants held as on 31-03-2022	Converted in equity shares during F Y 2022-23	Balance Warrants (Pending for Conversion at 31-03-2023)	Warrants held as on 31-03-2021	Converted in equity shares during F Y 2021-22	Balance Warrants (Pending for Conversion at 31-03-2022)
1	Jigna D Anjaria	80,000	80,000	-	80,000	-	80,000
2	Dharmesh S Anjaria (HUF)	1,60,000	1,60,000	-	1,60,000	-	1,60,000
3	Parag J Dalal (HUF)	1,60,000	1,60,000	-	1,60,000	-	1,60,000
4	Devangi Parag Dalal	80,000	80,000	-	80,000	-	80,000
5	Shirish M Anjaria (HUF)	1,60,000	1,60,000	-	1,60,000	-	1,60,000
6	Nilam Shirish Anjaria	1,60,000	1,60,000	-	1,60,000	-	1,60,000
7	Hasumati Jitendra Dalal	80,000	80,000	-	80,000	-	80,000
8	Pankti Dalal	40,000	40,000	-	40,000	-	40,000
9	Dhvani Dalal	40,000	40,000	-	40,000	-	40,000
10	Trigem Infosolutions Limited	4,55,000	4,55,000	-	16,00,000	11,45,000	4,55,000
	Total	14,15,000	14,15,000	-	25,60,000	11,45,000	14,15,000

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

14.2 Shareholding of Promoter

Sr. no	Promoter's Name	As at 31 March 2023			As at 31 March 2022		
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
1	Shirish Mansinh Anjaria	1160948	9.15%	-	1160948	10.29%	-
2	Parag Jitendra Dalal	959816	7.56%	1.33%	947200	8.40%	-
3	Jigna Dharmesh Anjaria	291463	2.30%	37.83%	211463	1.87%	-
4	Dharmesh Shirish Anjaria HUF	410000	3.23%	64.00%	250000	2.22%	-
5	Parag Jitendra Dalal HUF	470077	3.70%	51.60%	310077	2.75%	-
6	Devangi Parag Dalal	269640	2.12%	42.19%	189640	1.68%	-
7	Shirish Mansinh Anjaria HUF	413543	3.26%	63.11%	253543	2.25%	-
8	Dharmesh Shirish Anjaria	956890	7.54%	-	956890	8.48%	-
9	Nilam Shirish Anjaria	524602	4.13%	43.88%	364602	3.23%	-
10	Hasumati Jitendra Dalal	132200	1.04%	103.96%	64816	0.57%	-
11	Trigem Infosolutions Limited	2086475	16.44%	27.89%	1631475	14.47%	235.37%
12	Pankti Dalal	40000	0.32%	100.00%	-	-	-
13	Dhvani Dalal	40000	0.32%	100.00%	-	-	-
	Total	7755654	61.10%		6340654	56.22%	

14.3 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31 Mar 2023		As at 31 Mar 2022	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansinh Anjaria	11,60,948.00	9.15	11,60,948.00	10.29
Dharmesh Shirish Anjaria	9,56,890.00	7.54	9,56,890.00	8.48
Parag Jitendra Dalal	9,59,816.00	7.56	9,47,200.00	8.40
Trigem Infosolutions Limited	20,86,475.00	16.44	16,31,475.00	14.47

14.4 The Company has allotted 9,60,000 equity shares & 4,55,000 equity share of ₹ 10 each at a premium of ₹ 18 per share on a Preferential basis on September 1, 2022 & September 24,2022 respectively against the warrants converted by the holders.

14.5 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 the both legal and beneficial ownership of shares.

14.6 The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholdings.

14.7 During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

14.8 The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on August 10, 2022, declared an interim dividend of ₹ 0.50/- per share on the nominal value of ₹ 10/-each and paid to all the eligible shareholders as at August 23, 2022. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2023.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022

14.9 Shares reserved for issue under option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 31.3. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the Company on or before the vesting date.

15 OTHER EQUITY

Securities premium account	958.60	703.90
General reserve	190.46	190.46
Retained earnings	7,957.57	4,671.93
Money received against share warrants	-	99.05
Other comprehensive income	(16.89)	(7.61)
Share option outstanding	97.23	-
Total	9,186.97	5,657.72

The movement in Other Equity:**(a) Securities premium account**

As per last Balance Sheet	703.90	497.80
Add : Premium on shares issued during the year	254.70	206.10
Total	958.60	703.90

Securities premium account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.

(b) General reserve

As per last Balance Sheet	190.46	190.46
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General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.

(c) Surplus in Statement of Profit and Loss

As per last Balance Sheet	4,671.93	3,076.61
Less : Dividend Distributed	(52.00)	(50.67)
Add: Profit for the year	3,337.65	1,645.98
	7,957.57	4,671.93

Surplus in Statement of Profit and Loss comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc..

(d) Money received against share warrants

As per last Balance Sheet	99.05	179.20
Add : Monies received during the year	297.15	240.45
	396.20	419.65
Less : Issue of Shares	141.50	114.50
Less : Transfer to Securities Premium Account	254.70	206.10
Balance for subsequent conversion	-	99.05

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
<p>A preferential issue of 35,20,000 Warrants convertible into equivalent number of equity shares of ₹10 each at a price of ₹ 28/- each (including premium of ₹ 18/- each) was approved by the board of directors on 03rd September 2020 for issuance to the promoter directors and Managing Director as per the provisions of SEBI (ICDR) Regulations and in accordance with the applicable provisions of the Companies Act, 2013. The preferential issue of Convertible warrants were approved by shareholders by in AGM held on dated 30th September, 2020. In pursuance of the above the company received ₹ 2,97,15,000/- towards 14,15,000 warrant at Rs 21 each . The above 14,15,000 warrants have been converted to equity shares of ₹ 10 each at premium of ₹ 18 each and allotted on preferential basis to the Promoter's Group of the Company 9,60,000 warrants converted into equity shares in meeting held on September 01,2022 & 4,55,000 warrants converted into equity shares in meeting held on September 24, 2022 & in agreegate 14,15,000 warrant converted into equity shares.</p>		
<p>The Proceeds of issue has been utilised for the purpose for which they have been raised Refer Note 31.4</p>		
Total reserves and surplus	9,106.63	5,665.34
(e) Other comprehensive income		
Balance at the beginning of the year	(7.61)	(12.86)
Add : Movement during the year	(9.28)	5.25
Balance at the end of the year	(16.89)	(7.61)
(f) Share option outstanding		
Opening balance	-	-
Add : Granted/ vested during the year	97.23	-
Balance at the end of the year	97.23	-
Total other Equity	9,186.97	5,657.72
16 Non Current Financial Liabilities - Borrowings		
Term Loans		
Secured		
From Banks	1,749.57	1,214.68
From Others	-	-
Unsecured		
From Banks	221.09	308.24
	1,970.65	1,522.92
Less: Current maturities of long-term loan from bank (included in note 20)		
Secured	291.16	238.72
Unsecured	83.25	83.25
	374.41	321.97
Total	1,596.25	1,200.95
Non Current Liabilities - Long Term Borrowings		
Secured		
From Banks	1,458.41	975.95
From Others	-	-
	1,458.41	975.95
Unsecured		
From Banks	137.84	224.99
	137.84	224.99
Total	1,596.25	1,200.95

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

FY 2022-23

Particulars	Security	Currency	Rate of interest	Non - Current	Current
1) Term loan from banks Repayable in 8 equal Quaterly instalments of 94.80 lakhs beginning from 07 September 2024 and ending on 23 jun 2026.	Security Details : 1) 1st Charge Pari Passu by way of Hypothecation on Current Assets and All Movable Fixed Assets(excluding vehicles) both present and Future. Other charge sharing bank/ institutions: HDFC Bank 2) Sole Charge by way of Equitable Mortgage on Property/ FD. 3) Personal Guarantee of Director	INR	MCLR 3 Month	758.44	0.00
2) Vehichle Loan - Repayable in balance 44 monthly instalments of 0.98 lakhs, ending on 07 November 2026.	Motor Vehicle (Hypothecation)	INR	7.00%	28.77	9.48
3) Vehichle Loan - Repayable in balance 48 monthly instalments of 1.28 lakhs, ending on 07 March 2027.	Motor Vehicle (Hypothecation)	INR	6.80%	41.61	12.09
4) Term loan from banks - Repayable in balance 36 monthly instalments of 14.58 lakh, ending on 03 March 2026.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of the Bank.	INR	MCLR +1%	350.00	175.00
5) Term loan from banks - Repayable in balance 48 monthly instalments of 7.59 lakh, ending on 10 March 27.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of the Bank.	INR	MCLR +1%	273.15	91.05
6) Term loan from banks - Repayable in balance 33 monthly instalments of 6.93 lakh, ending on 30 December 25.	Unsecured	INR	MCLR 3M + 1.10	137.84	83.25
7) Term loan from banks - Repayable in balance 32 monthly instalments of 0.35 lakh, ending on 10 November 25.	Motor Vehicle	INR	8.01%	6.45	3.54
				1,596.25	374.41

FY 2021-22

Particulars	Security	Currency	Rate of interest	Non - Current	Current
1) Vehichle Loan - Repayable in balance 58 monthly instalments of 0.98 lakhs, ending on 07 November 2026.	Motor Vehicle	INR	7.00%	38.25	8.84
2) Vehichle Loan - Repayable in balance 60 monthly instalments of 1.28 lakhs, ending on 07 March 2027.	Motor Vehicle	INR	6.80%	53.70	11.30

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	Security	Currency	Rate of interest	As at	
				31 st March, 2023	31 st March, 2022
3) Term loan from banks - Repayable in balance 48 monthly instalments of 14.58 lakh, ending on 03 March 2026.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of thye Bank.	INR	MCLR +1%	525.00	175.00
4) Term loan from banks - Repayable in balance 48 monthly instalments of 7.59 lakh, ending on 10 March 2027.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of thye Bank.	INR	MCLR +1%	349.03	15.18
5) Term loan from banks - Repayable in balance 45 monthly instalments of 6.93 lakh, ending on 30 December 2025.	Unsecured	INR	MCLR 3M + 1.10	224.99	83.25
6) Term loan from banks - Repayable in balance 44 monthly instalments of 0.35 lakh, ending on 10 November 2025.	Motor Vehicle	INR	8.01%	9.98	3.27
7) Vehichle Loan Repayable balance in 8 monthly instalments of 0.83 lakhs, starting from 10 Dec 2020 and ending on 10 Nov 2025.	Motor Vehicle	INR	8.78%	0.00	5.70
8) Term loan from banks Repayable in 1 instalments of 19 lakhs, ending on 30 April, 2021.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of thye Bank.	INR	BLLLR	0.00	19.44
				1,200.95	321.97

17 LEASE LIABILITIES -NON-CURRENT

Lease Liabilities	257.41	171.80
Refer Note no 31.11		
	257.41	171.80

18 LONG TERM PROVISIONS

Provision for employee benefits:		
i) Provision for other defined benefit plans		
- Gratuity (Refer Note 31.2)	202.27	180.93
ii) Leave Encashment	58.27	36.35
Total	260.54	217.28

19 OTHER NON CURRENT LIABILITIES

Unpaid Dividends	13.74	6.27
Total	13.74	6.27

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
20 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Loans repayable on demand		
-Working Capital Loans From Banks	4,572.24	4,651.50
-Current maturities of long-term debt	291.16	238.72
Unsecured		
-Current maturities of long-term debt	83.25	83.25
Total	4,946.65	4,973.47
20.1 Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit, Bank fixed deposits and Property, Plant & Equipment and personal guarantees of directors.		
21 LEASE LIABILITIES - CURRENT		
Lease Liabilities	62.53	68.28
	62.53	68.28
22 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	3.06	3.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,891.28	16,046.61
Total	21,894.34	16,050.60

22.1 Trade Payable ageing Schedule

Ageing for trade payables outstanding as at March 31, 2023 is as follows

Particulars	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
MSME	3.06	-	-	-	3.06
Others	21,806.99	44.84	21.31	18.14	21,891.28
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

Ageing Schedule is in respect of Overdue cases including where no due date of payment is specified.

Ageing for trade payables outstanding as at March 31, 2022 is as follows

Particulars	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
MSME	3.99	-	-	-	3.99
Others	16,011.19	18.09	13.84	3.48	16,046.61
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

Ageing Schedule is in respect of Overdue cases including where no due date of payment is specified.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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22.2 The Company has certain dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows :

Particulars	As at 31 Mar, 2023	As at 31 Mar, 2022
Principal amount due and remaining unpaid	3.06	3.99
Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

22.3 Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made during the year.

23 OTHER CURRENT LIABILITIES

Other Payables*	734.10	418.01
Total	734.10	418.01

* includes statutory dues and others

24 REVENUE FROM OPERATIONS

Revenue from Information Technology Products	80,414.50	65,397.61
Total	80,414.50	65,397.61

a) The Company is engaged in systems Integration which includes the sales of products and services as a complete solution

b) Disaggregate Revenue

The table below presents disaggregated revenues of the Company from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Total revenue from contracts with customers

India	77,874.75	63,097.21
Export (Including deemed export)	2,539.75	2,300.39
Total	80,414.50	65,397.61

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	86,790.51	70,520.36
Less: Adjustements		
Sales return	(6376.02)	(5122.75)
Revenue from contracts with Customers	80,414.50	65,397.61
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	30,074.53	17,567.60
Allowance as per Expected credit loss model	13.68	-
Total	30,060.86	17,567.60
Trade receivables are non-interest bearing and are generally on terms of credit to client for 90 to 120 days.		
25 OTHER INCOME		
Interest income	202.14	186.23
Others #	27.44	0.34
Total	229.58	186.56
# includes Miscellaneous income		
26 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	67,267.49	61,681.89
Total	67,267.49	61,681.89
27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	3,663.38	7,090.64
	3,663.38	7,090.64
Inventories at commencement		
Stock-in-Trade	7,090.64	4,246.66
	7,090.64	4,246.66
Total	3,427.26	(2843.98)
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,849.96	2,575.59
Contributions to provident and other funds	152.40	143.87
Staff Welfare Expenses	74.01	37.37
Total	3,076.37	2,756.82

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
29 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost	29.56	29.86
b) Interest on borrowings	519.94	433.37
c) Other interest cost	384.35	276.91
d) Others	152.99	153.14
Total	1,086.84	893.28
30 OTHER EXPENSES		
Electricity Expenses	9.99	8.36
Rent	31.94	28.38
Communication Expenses	19.54	16.56
Auditors Remuneration	9.00	9.08
Bank Charges	4.58	8.23
Conveyance And Travelling Expenses	379.29	199.03
Insurance Charges	37.00	23.49
Legal & Professional Charges	119.88	99.94
Loss on expiry of useful life of assets	0.65	5.18
Loss on sale of Fixed Assets	-	3.50
Membership & Subscription	45.66	4.08
Miscellaneous Expenses	47.24	38.44
Corporate social responsibility expenditure	27.54	17.00
Motor Car Expenses	12.62	11.49
Bad Debts Written off	13.68	31.22
Printing & Stationary Expenses	18.72	6.51
Rates & Taxes	59.18	30.95
Repairs & Maintenance -Building	2.58	2.95
Repairs & Maintenance - Others	10.76	4.39
Sales Promotion Expenses	16.75	30.34
Transportation Charges	322.97	176.18
Total	1,189.57	755.32
30.1 Auditors Remuneration		
- Audit Fees	9.00	9.00
- Other	-	0.08
Total	9.00	9.08

30.2 Miscellaneous Expenses includes office Expense postage & telegram exp etc

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

(₹ In Lakhs)

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
30.3 Details of corporate social responsibility expenditure		
(a) Amount required to be spent by the Company	27.49	16.90
(b) Amount spent during the year on:		
i Construction or acquisition of any asset	-	-
ii On purposes other than (i) above		
CSR Committee has identified & approved projects which was paid as under.		
Out of CSR fund of F.Y.- 22-23	27.54	
Out of CSR fund of F.Y.- 21-22	-	17.00
iii Shortfall at the end of the year out of the amount required to be spent by the Company during the year;	-	-
iv Total of previous years shortfall	-	-
v Reason for shortfall	Not Applicable	Not Applicable
vi Nature of CSR activities	"Promoting Education, Healthcare, Eradicating hunger and poverty & Animal welfare"	
vii Details of related party transactions: Josh Foundation	8.00	5.00

Additional Information to the financial statements

31.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit after Tax	(₹/lakhs)	3,337.65	1645.98
Weighted Number of Equity Shares	Nos. Lakhs	120.43	106.95
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	27.71	15.39
Weighted average number of shares outstanding and dilutive shares	Nos. Lakhs	120.75	121.10
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	27.64	13.59

31.2. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans – Gratuity:

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

The following table sets out the status of the Gratuity Plan and the amounts recognized in the financial statement:
 (₹ in Lakhs)

	Particulars	2023 Amount (₹)	2022 Amount (₹)
I.	Assumptions :		
	Discount Rate	7.44%	6.33%
	Salary escalation rate	5.00%	5.00%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	180.93	143.79
	Current Service Cost	28.64	42.50
	Benefits Paid	(7.30)	(5.35)
	Balance	202.27	180.93
	Liability at the end of the year	202.27	180.93
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	202.27	180.93
	Difference Adjusted	-	-
	Amount Recognized in the Balance Sheet	202.27	180.93
IV.	Expenses Recognized in the Income Statement:		
	Current Service Cost	40.00	33.34
	Expense Recognized in P & L	40.00	33.34
IV.	Expenses Recognized in the OCI :		
	Current Service Cost	11.37	(9.16)
	Expense Recognized in P & L	11.37	(9.16)

Maturity Analysis of the Benefit Payments

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Year Ended March 31, 2023	Year Ended March 31, 2022
1st Following Year	10.07	4.75
2nd Following Year	9.68	5.22
3rd Following Year	6.75	13.26
4th Following Year	7.72	6.05
5th Following Year	7.50	6.72
Sum of Years 6 To 10	50.00	44.08
Sum of Years 11 and above	530.34	466.66

(₹ in Lakhs)

Sensitivity Analysis	Year Ended March 31, 2023	Year Ended March 31, 2022
Projected Benefit Obligation on Current Assumptions	202.27	180.93
Delta Effect of +1% Change in Rate of Discounting	(22.73)	(21.55)
Delta Effect of -1% Change in Rate of Discounting	27.22	26.00
Delta Effect of +1% Change in Rate of Salary Increase	27.44	26.27
Delta Effect of -1% Change in Rate of Salary Increase	(23.42)	(22.11)
Delta Effect of +1% Change in Rate of Employee Turnover	5.88	4.50
Delta Effect of -1% Change in Rate of Employee Turnover	(6.83)	(5.26)

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Employer's contribution to Provident Fund during the year is 104.30 Lakh (P.y. 95.47 Lakhs)

31.3. Employee Stock Option Plan

The Company had a Dynacons - Employees Stock Option Plan 2020 (ESOP – 2020) which provided for the grant of equity shares of the Company to the eligible employees of the Company. The Board of Directors recommended the establishment of the ESOP 2020 on September 03, 2020 and shareholders approved the recommendations of the Board of Directors in Annual General Meeting held on September 30, 2020. ESOP- 2020 was further amended by the Nomination and Remuneration Committee and Board of Directors of the Company at their meetings held on March 10, 2022 in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB and Sweat Equity Regulations). The maximum aggregate number of shares that may be awarded on the grant of stock options under ESOP 2020 is 15,00,000 equity shares. Under ESOP 2020, the Company had approved grant vide its Nomination and Remuneration committee meeting held on August 10, 2022 under ESOP 2020. As per the plan, option granted under ESOP- 2020 would vest over a period of 1 year to 2 years from the date of grant of such options. The Plan is Equity Settled Plan.

Particulars	Grant I	Grant II
	ESOP 2020	
Date of Grant	August 10, 2022	August 10, 2022
Date of Share holders Approval	September 30, 2020	September 30, 2020
Date of Board of Directors Approval / Committee	September 03, 2020	September 03, 2020
No. of Option	21550	11950
Method of settlement (Cash/ Equity)	Equity	Equity
Vesting Period	1 Years	2 Years
Exercise Price (Per Share Rs.)	Rs 10	Rs 10
Exercise Period	Options vested may be exercised by the Option Grantee within a maximum period of two Year from the date of last vesting of Options. Hence maximum term of Options granted is 3 years	Options vested may be exercised by the Option Grantee within a maximum period of two Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years
Ext. of Exercise Period	None	None

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

31.4 Related Party Disclosures

a. The names of related parties and the nature of relationship are as under:

(i) Subsidiaries

Dynacons Systems & Solutions Limited

(ii) Entities in which Directors or their relatives are interested and with whom transaction taken place

S. P. Corporation
Trigem Infosolutions Limited
Josh Foundation

(iii) Key Managerial Personnel

a) Executive Director

Shirish M. Anjaria
Parag J. Dalal
Dharmesh S. Anjaria

b) Other than Directors

Ravishankar Singh Company Secretary & Compliance officer (Resigned w.e.f. June 30,2022)
Pooja Patwa (Appointed as Company Secretary & Compliance Officer w.e.f. July 01,2022)

(iv) Non-Executive Director and Independent Director

Jitesh Jain
Viren Champaklal Shah (Ceased to be non-executive Independent director w.e.f September 30,2022)
Archana Phadke
Vijay Maganlal Doshi (Appointed w.e.f September 05, 2022)

(v) Other Related Party (Significant Influences)

Jigna D Anjaria
Dharmesh S Anjaria (HUF)
Parag J Dalal (HUF)
Devangi Parag Dalal
Shirish M Anjaria (HUF)
Nilam Shirish Anjaria
Hasumati Jitendra Dalal
Pankti Dalal
Dhvani Dalal

The transactions with the related parties are as under:

A. Payments for expenses

Party	Nature of Payment	2023 (₹/lakhs)	2022(₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.49	2.49
Mr. Shirish M. Anjaria	Remuneration	78.00	54.00
Mr. Parag J. Dalal	Remuneration	72.00	49.50
Mr. Dharmesh S. Anjaria	Remuneration	72.00	49.50
Mr. Ravishankar Singh	Remuneration	0.52	2.08
Ms. Pooja Patwa	Remuneration	8.20	-
Josh Foundation	Corporate social responsibility expenditure	8.00	5.00

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

B. Preferential Allotment of warrants Convertible into Shares to Related Parties

Party	Nature of Payment	As at 31 st March, 2023		As at 31 st March, 2022	
		No of Warrants	Amount Received (₹/lakhs)	No of Warrants	Amount Received (₹/lakhs)
Jigna D. Anjaria	Amount received against warrant converted into Equity shares	80,000	16.80	-	-
Dharmesh S Anjaria (HUF)	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Parag J Dalal (HUF)	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Devangi Parag Dalal	Amount received against warrant converted into Equity shares	80,000	16.80	-	-
Shirish M Anjaria (HUF)	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Nilam Shirish Anjaria	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Hasumati Jitendra Dalal	Amount received against warrant converted into Equity shares	80,000	16.80	-	-
Pankti Dalal	Amount received against warrant converted into Equity shares	40,000	8.40	-	-
Dhvani Dalal	Amount received against warrant converted into Equity shares	40,000	8.40	-	-
Trigem Infosolutions Limited	Amount received against warrant converted into Equity shares	4,55,000	95.55	11,45,000	240.45

31.5. Balances Outstanding

Nature of Transaction	Subsidiaries		Entities controlled by Key Managerial Personnel	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Investment in Shares				
Dynacons Systems & Solutions PTE Ltd	5.05	5.05	-	-

Notes :

Service transactions with related parties are made at arm's length price.

31.6. Segment Information

The company operates in the single segment of System Integration and Services.

31.7. Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

Particulars	Period to which the amount relates	Forum where the dispute is pending	2023 (₹/lakhs)	2022 (₹/lakhs)
Income tax	AY 2017-18	CIT Appeals	-	6.86
GST	FY 2018-19	Appeal to Appellate Authority	9.64	

b) Guarantees given by the company's bankers ₹ 4635.69 lakhs (previous year ₹ 4139.81lakhs)

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

31.8. Financial instruments

A. Capital Management :

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14, 16 and 20) and total equity of the Company.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Non-current borrowings	1,596.25	1,200.95
Current maturities of non-current borrowings	374.41	321.97
Current borrowings	4,572.24	4,651.50
Total Debt	6,542.89	6,174.42
Equity	10,456.27	6,785.53
Net debt to equity ratio	0.63	0.91

For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

B. Financial Instruments-Accounting Classifications and Fair value measurements (Ind AS 107)

i) Classification of Financial Assets and Liabilities:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Financial Assets		
Measured at amortised cost		
Trade receivables	30,060.86	17,567.60
Cash and cash equivalents	1,621.89	727.56
Bank balances other than above	2,956.78	2,804.54
Loans	34.59	13.21
Other Financial Assets	626.44	812.50
Designated at fair value through other comprehensive income		
Investments	50.35	51.12
Total	35,350.91	21,976.52
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	1,596.25	1,200.95
Lease Liabilities	319.94	240.08
Short-Term Borrowings	4,946.65	4,973.47
Trade Payables	21,894.34	16,050.60
Total	28,757.17	22,465.09

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

ii) Fair Value Measurements (Ind AS 113):

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets, which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and Financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

- > Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- > Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- > Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2023 and 31 March 2022,;

(a) Quantitative disclosures fair value measurement hierarchy for assets as at the reporting date:

(₹ in Lakhs)

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Financial Assets Fair value through Other Comprehensive Income Investments in quoted - equity instrument					
	31-Mar-23	50.35	50.35	-	-
	31-Mar-22	51.12	51.12	-	-

There have been no transfers between levels during the period.

Investment in quoted equity instrument are valued based on the quoted prices available in the market as at the reporting date.

*Investments in Unquoted Equity Shares i.e Level 3 fair value measurement are valued at carrying cost since amounts are not materials. Investments in unquoted equity shares are made in banks as part of mandatory requirements for obtaining finances from the financing bank.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values:

(₹ in Lakhs)

Particulars	Total	FVTOCI financial investments
Balance as at 31 March, 2021	39.00	39.00
Addition / (Deletion) during the year	12.11	12.11
Balance as at 31 March, 2022	51.12	51.11
Addition / (Deletion) during the year	(0.76)	(0.76)
Balance as at 31 March, 2023	50.35	50.35

Loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

31.9. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, investments, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions to hedge and holds short term investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarized below:

a) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, investment in mutual funds etc.

Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 90 to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
0-180 days	27,759.64	14,854.21
More than 180 Days	2301.22	2,713.39
Total	30,060.86	17,567.60

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters. In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Few of the customers failed to pay the dues within the agreed terms. The Company is taking appropriate action to recover the amount. However, based on the Company's accounting policy ₹ 13.68 Lakhs had been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2023.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in mutual funds. The Company has diversified portfolio of investment with various number of counter□parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter□party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

b) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Liquidity risk is managed by Company through effective fund management. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 90-120 days based on the credit period. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The Company's non-derivative financial liabilities have contractual maturities as summarised below:

(₹ in Lakhs)

Particular	Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year
As at 31 March 2023			
Borrowings	4,572.24	4,572.24	-
Trade Payables	21,894.34	21,894.34	-

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

Particular	Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	1,970.65	374.41	1,596.25
As at 31 March 2022			
Borrowings	4,651.50	4,651.50	-
Trade Payables	16,050.60	16,050.60	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	1,522.92	321.97	1,200.95

c) **Market risk**

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD)

To mitigate the Company's exposure to foreign currency risk, cash flows are continuously monitored.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate: -
(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	216.43	499.51
Net exposure for assets	216.43	499.51
Financial liabilities		
Trade Payables	-	-
Net exposure for liabilities	-	-
Net exposure (Assets - Liabilities)	216.43	499.51

The company has not entered in any forward contract for hedging or otherwise in respect of foreign currencies during the year, and there are no such contracts outstanding at the end of the year.

Sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate 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. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

Impact on profit or loss

Movement in currency (Before tax)	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022
USD	10.82	24.98	(10.82)	(24.98)

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's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

The Company's investments in term deposits (i.e. certificates of deposits) with banks are at fixed interest rate and therefore do not expose the company to significant interest rate risk.

Interest Rate Exposure

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Variable Rate Borrowings	6440.96	6043.38
Fixed Rate Borrowings	101.93	131.03
Total	6542.89	6,174.42

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate	Increase in Interest rate by 0.25%		Decrease in Interest rate by 0.25%	
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Variable rate borrowings	16.10	15.11	(16.10)	(15.11)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

31.10. (a) Advance(s) in the nature of Loan (Regulation 34 of Listing Obligations & Disclosure Requirements)

No Loans have been given to Subsidiaries during the year.

(b) Particulars of Loans, Guarantees or Investments covered under section 186(4) of the Companies Act, 2013

Name of the Party	Nature	Amount (Rs.)	Purpose
Wholly Owned Subsidiary			
Dynacons Systems & Solutions PTE Ltd	Investments in Equity Shares	505,143	Capital Investment

31.11. Lease Commitments

Operating Lease

The company has lease contract for office premises and these lease contracts are cancellable-renewable for further period on mutually agreeable terms during the tenure of leases contracts.

Leases have lease terms between 2 and 5 years The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has lease contracts that includes extension option, however the lease term in respect of such extension option is not defined in the contract.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

The Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2020. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 12.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended March 31, 2023:

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Balance at the beginning of the year	240.07	305.58
Leased liability recognised during the year	250.85	-
Reversals	(107.11)	(7.43)
Finance cost accrued during the period	29.56	33.96
Payment of lease liabilities	(93.43)	(92.03)
Balance at the end	319.93	240.07
Lease Liability – Current	62.53	68.27
Lease Liability - Non-Current	257.41	171.8

Expenses relating to short term leases and low value assets have been disclosed under Rent in Note. 30

31.12. KEY FINANCIAL RATIOS

No.	Ratio	As at 31 March 2022	As at 31 March 2022	% Variance	Remarks
1	Current ratio (in times)	1.42	1.35	5.19%	Not Applicable
	Numerator: Total current assets				
	Denominator: Total current liabilities				
2	Debt-Equity ratio (times)	0.63	0.91	(30.77%)	Movement in ratio is due to improvement in Shareholder's Equity and repayment of term loans during the current year.
	Numerator: Debt consists of borrowings				
	Denominator: Total equity				
3	Debt service coverage ratio (in times)	8.40	6.13	37.03%	Movement in ratio is due to improvement in net profit
	Numerator: Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest				
	Denominator: Debt service = Interest + Principal repayments				
4	Return on equity ratio (in %)	38.72%	28.06%	37.99%	The Ratio shows improvement during the year due to increase in Net profit
	Numerator: Profit for the year				
	Denominator: Average total equity				

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

No.	Ratio	As at 31 March 2022	As at 31 March 2022	% Variance	Remarks
5	Trade receivables turnover ratio (in times)	3.38	4.71	(28.24%)	Revenue from operation have increased & this increase has led to consequent increase in the trade receivable . further increased technical complexity of project has lead to increase in the trade receivable
	Numerator: Revenue from operations				
	Denominator: Average trade receivables				
6	Trade payables turnover ratio (in times)	3.73	4.90	(23.88%)	Not Applicable
	Numerator: Cost of Goods Sold				
	Denominator: Average trade payables				
7	Net Working capital turnover ratio (in times)	6.91	8.68	(20.39%)	Not Applicable
	Numerator: Revenue from operations				
	Denominator: working capital (i.e. Total current assets less Total current liabilities)				
8	Net profit ratio (in %)	4.15%	2.52%	64.68%	Ratio has increased on account of higher margin and consequently increase in PAT & Revenue during the year
	Numerator: Profit for the year				
	Denominator: Revenue from operations				
9	Return on capital employed (in %)	37.03%	28.23%	31.17%	Ratio has increased on account of increase in EBIT during the current year.
	Numerator: Profit before tax and finance costs				
	Denominator: Average Capital employed (Capital Employed: Total Equity+ Borrowings)				
10	Return on investment (in %)	0.00%	0.00%	0.00%	Income generated from investment was Nil
	Numerator: Income generated from invested funds				
	Denominator: Average invested funds				

31.13. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

31.14. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

- a) During the year, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimately Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2023

- b) During the year, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company, shall, whether, 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.

31.15. COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

Company has not prepared any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

31.16. The Company has not traded or invested in Crypto currency or Virtual Digital Assets during the period.

Description	Amount
Profit/Loss on transactions involving crypto/VDA	Nil
Amount of currency held as at reporting date	Nil
Deposits/advances from any purpose of trading/investing in crypto currency/virtual currency	Nil

31.17. The management have neither come across any instance of fraud on or by the Company, noticed or reported during the financial year.

31.18. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**As per our report of even date attached
For M S P & CO.
Chartered Accountants
Firm Registration 107565W**

For and on behalf of the Board of Directors
Dynacons Systems & Solutions Ltd.
CIN No: L72200MH1995PLC093130

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Parag Dalal
Executive Director
DIN : 00409894

M. S. PARIKH
Partner
Membership No. 08684

Dharmesh Anjaria
Executive Director
DIN : 00445009

Pooja Patwa
Company Secretary &
Compliance Officer
Membership No. A60986

Mumbai : May 26, 2023

Independent Auditor's Report**To the Members of Dynacons Systems & Solutions Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of Dynacons Systems & Solutions Limited ("the Company"), its Subsidiary (the Company and its Subsidiary together referred to as "Group") which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated statement of Profit and Loss, Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, consolidated total Comprehensive Income, consolidated Changes in Equity and its consolidated Cash Flows for the year on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- A) Revenue for the Company consists primarily of sale of goods recognized and provision of services as per the accounting policy described in Note No. 1.2.2 Forming part to the accompanying consolidated financial statements. Refer Note No. 23 forming part of financial statements for details of revenue recognized during the year.

The Company recognizes revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, adopted by the Company from the current year, by transferring the control of goods to its customers through delivery evidenced by acknowledgement of receipt of goods by such customers. Considering the large volume of revenue transactions near period end, there may be a risk of revenue recognition occurring before the satisfaction of the performance obligations by the company in accordance with the applicable terms. Under Standards on Auditing 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk that revenue may be misstated owing to the improper recognition of revenue.

Considering the above factors, revenue recognition (cut-off) was identified as a key audit matter for the current year audit.

Auditor's Response:

Our audit work included, but was not limited to, the following procedures:

- Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the accounting policy adopted by the company for revenue recognition.
- Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice verification, transporter confirmations and customer acknowledgements.
- Tested operating effectiveness of the above identified key controls over revenue recognition near period end.
- For samples selected from revenue recorded during specific period, before and after year end:
- Verified the customer contracts for delivery terms verified the customer acknowledgements to evidence proof of delivery for domestic sales at or near period end.

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

The Group Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Management Discussion and Analysis, but does not include the Secretarial Audit Report, Consolidated financial statements and our auditor's report thereon. The Board's report and Management Discussion and Analysis is expected to be made to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's report and Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make disclosures and take specific actions as per applicable laws and regulations, if required.

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

The Holding Company's Board of Directors is responsible for the matters stated in Sec 134(5) of companies Act 2013 with respect to the presentation and of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

The consolidated financial statements include the audited financial statements / financial information in respect of 1 subsidiary namely Dynacons Systems & Solutions PTE. Ltd (Subsidiary) located outside India, whose financial statements include Total Assets of ₹ 39.66 Lakhs as at 31st March, 2023, and total revenue from operations of ₹ 32.37 Lakhs for the year ended on that date. These financial statements of the subsidiary company has been audited by the other auditor of that company and which is prepared in accordance with accounting principles generally accepted in their respective country and has been provided to us by the management. The Holding Company's management has converted the financial statements of such subsidiary from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based on the audit report of other auditor and the conversion adjustments made by the management of the Holding Company and audited by us.

Our opinion on the Statement is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, (including other comprehensive income) the consolidated Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A".
- (g) With respect to 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate – Refer Note No.30.6 to the financial statements.
 - ii. The Group has long term contracts as at March 31, 2023 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2023.

- iii. There has been no delay in transferring amounts, 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested 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, whether, 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 and
 - (2) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, that the Company shall, whether, 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; and
 - (3) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For M S P & CO.

Chartered Accountants
Firm Registration No. 107565W

M.S. Parikh, Partner

Membership No.: 08684
Mumbai
May 26, 2023
UDIN: 23008684BGVQTD2996

“Annexure A” forming part of Independent Auditor’s Report

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

We have audited the internal financial controls over financial reporting of Dynacons Systems & Solutions Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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.

For M S P & CO.

Chartered Accountants
Firm Registration No. 107565W

M.S. Parikh, Partner

Membership No.: 08684
Mumbai
May 26, 2023
UDIN: 23008684BGVQTD2996

Consolidated Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	368.37	403.70
(b) Right-of-use asset	2	304.54	204.92
(c) Financial Assets			
(i) Investments	3	50.35	51.12
(ii) Other Financial Assets	4	168.25	143.09
(d) Deferred Tax Assets (Net)	5	44.29	39.37
		935.80	842.20
2 Current assets			
(a) Inventories	6	3,663.38	7,090.64
(b) Financial Assets			
(i) Trade receivables	7	30,098.68	17,567.60
(ii) Cash and cash equivalents	8	1,629.21	883.57
(iii) Other balances with banks	9	2,956.78	2,661.44
(iv) Short-term loans and advances	10	34.59	13.21
(v) Other Financial Assets	11	626.44	812.50
(c) Other Current Assets	12	316.62	34.64
		39,325.69	29,063.60
TOTAL		40,261.49	29,905.80
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	1,269.31	1,127.81
(b) Other Equity	14	9,206.86	5,669.34
		10,476.16	6,797.15
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,596.25	1,200.95
(ii) Lease Liabilities	16	257.41	171.80
(b) Long-Term Provisions	17	260.54	217.28
(c) Other non-current liabilities	18	13.74	6.27
		2,127.94	1,596.29
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,946.65	4,973.47
(ii) Lease Liabilities	20	62.53	68.28
(iii) Trade Payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		3.06	3.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		21,911.05	16,048.90
(b) Other Current Liabilities	22	734.10	418.01
		27,657.38	21,512.36
TOTAL		40,261.49	29,905.80
The accompanying notes form an integral part of the consolidated financial statements			
Notes on Financial Statements		1-30	

As per our report of even date attached
For M S P & CO.
Chartered Accountants
Firm Registration 107565W
For and on behalf of the Board of Directors

Dynacons Systems & Solutions Ltd.

CIN No: L72200MH1995PLC093130

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Parag Dalal

Executive Director

DIN : 00409894

M. S. PARIKH
Partner
Membership No. 08684
Dharmesh Anjaria

Executive Director

DIN : 00445009

Pooja Patwa

Company Secretary &

Compliance Officer

Membership No. A60986

Mumbai : May 26, 2023

Consolidated Profit and Loss Statement for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
1 INCOME			
(a) Revenue from Operations	23	80,446.86	65,397.61
(b) Other Income	24	229.65	186.60
2 Total Revenue		80,676.52	65,584.21
3 EXPENSES			
(a) Purchases of Stock-In-Trade	25	67,281.72	61,681.89
(b) Changes In Inventories Of Stock-In-Trade	26	3,427.26	-2,843.98
(c) Employee Benefits Expense	27	3,076.37	2,756.82
(d) Finance Costs	28	1,086.84	893.28
(e) Depreciation And Amortisation Expense	2	136.28	135.53
(f) Other Expenses	29	1,199.61	758.47
4 Total Expenses		76,208.09	63,382.00
5 Profit before tax		4,468.43	2,202.20
6 Tax Expense:			
(a) Current Tax		1,127.96	573.75
(b) Deferred Tax		(4.92)	(14.42)
		1,123.04	559.33
7 Profit for the year		3,345.39	1,642.87
8 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Measurement of defined employee benefit plan		(11.37)	(9.16)
b) Equity instruments through other comprehensive income		(0.76)	12.11
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.85	2.30
Other comprehensive income for the year, net of tax		(9.28)	5.25
9 Total comprehensive income for the year		3,336.11	1,648.12
10 Earnings per equity share (Profit for the year)			
(i) Basic (In ₹)		27.78	15.36
(ii) Diluted (In ₹)		27.70	13.57
Weighted average number of equity shares			
(i) Basic		1,20,42,751	1,06,94,601
(ii) Diluted		1,20,75,501	1,21,09,601
The accompanying notes form an integral part of the consolidated financial statements			
Notes on Financial Statements	1-30		

As per our report of even date attached

For M S P & CO.

Chartered Accountants

Firm Registration 107565W

For and on behalf of the Board of Directors

Dynacons Systems & Solutions Ltd.

CIN No: L72200MH1995PLC093130

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Parag Dalal

Executive Director

DIN : 00409894

M. S. PARIKH

Partner

Membership No. 08684

Dharmesh Anjaria

Executive Director

DIN : 00445009

Pooja Patwa

Company Secretary &

Compliance Officer

Membership No. A60986

Mumbai : May 26, 2023

Consolidated Cash Flow Statement for the Year Ended 31st March, 2023

(₹ in Lakhs)

Particulars	For the year ended 31 st Mar, 2023	For the year ended 31 st Mar, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	4,468.43	2,202.20
Add: Depreciation And Amortisation Expense	136.28	135.53
(Profit)/Loss on wloff of Property, Plant and Equipment	0.65	5.18
(Profit)/Loss on sale of Property, Plant and Equipment	-	3.50
Finance Costs	1,086.84	893.28
Reversal of lease rentals	(27.34)	-
Difference in Foreign Exchange Rates	0.53	0.18
Share based payments to employees	50.93	-
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	13.68	-
	1,261.56	1,037.66
Operating profit before working Capital	5,729.99	3,239.86
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	3,427.26	(2843.98)
Trade receivables	(12544.75)	(7378.07)
Other non current financial assets	(25.16)	(111.41)
Other current financial assets	(130.66)	(1691.72)
Other current assets	(1016.33)	(130.95)
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in Current Liabilities & Provision		
Trade payables	5,861.51	8,064.41
Other current financial liabilities	-	-
Other current liabilities	316.09	(218.09)
Other non current Liabilities	7.48	1.89
Provisions	31.89	64.33
	(4072.67)	(4243.59)
Cash Generated from Operations	1,657.32	(1003.73)
Taxes paid	(344.45)	(332.00)
Net Cash Flow from operating activities	1,312.87	(1335.72)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(30.14)	(241.91)
Sale of Property, Plant and Equipment	-	124.84
Dividend received	-	-
Investments	-	-
Net Cash Used for Investing Activities	(30.14)	(117.07)

Particulars	For the year ended 31 st Mar, 2023	For the year ended 31 st Mar, 2022
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	(63.87)	(62.17)
Money received against share warrants	297.15	240.45
Payment of Dividend	(52.00)	(50.67)
Addition / (Repayment) of long-term borrowings	395.30	839.64
Short-term borrowings (net)	(26.82)	1,289.05
Interest Paid	(1086.84)	(893.28)
Net cash From Financing Activities	(537.09)	1,363.02
D Net Increase in Cash and Cash Equivalents (A+B+C)	745.64	(89.77)
E Cash and Cash Equivalents (Opening Balance)	883.57	973.34
F Cash and Cash Equivalents (Closing Balance) as per note 8	1,629.21	883.57
Component of Cash & Cash equivalents		
Cash on hand	2.51	3.46
Balances with banks in current accounts	86.37	77.07
Demand deposits with Banks	1,540.32	803.04
	1,629.21	883.57

Notes 1 to 30 form an integral part of these consolidated financial statements

**As per our report of even date attached
For M S P & CO.
Chartered Accountants
Firm Registration 107565W**

For and on behalf of the Board of Directors
Dynacons Systems & Solutions Ltd.
CIN No: L72200MH1995PLC093130

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

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Executive Director
DIN : 00409894

M. S. PARIKH
Partner
Membership No. 08684

Dharmesh Anjaria
Executive Director
DIN : 00445009

Pooja Patwa
Company Secretary &
Compliance Officer
Membership No. A60986

Mumbai : May 26, 2023

STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March, 2023

Equity Share Capital (Note No. 13)

(₹ in Lakhs)

Particulars	Equity Share Capital
As at 1st April 2021	1,013.31
Changes in Equity Share Capital	114.50
As at 31st March 2022	1,127.81
As at 1st April 2022	1,127.81
Changes in Equity Share Capital	141.50
As at 31st March 2023	1,269.31

Other Equity (Note No. 14)

(₹ in Lakhs)

	Reserve and Surplus			Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Share Option Outstanding	Retained Earnings			
Balance as at 1st April 2021	497.80	-	3274.07	(5.31)	179.20	3945.76
Total Comprehensive Income for the year						
Capital Reserve	-	-	0.18	-	-	0.18
Additions during the year	206.10	-	1642.87	-	240.45	2089.42
Measurement of defined employee benefit plan	-	-	-	(9.16)	-	(9.16)
Equity instruments through other comprehensive income	-	-	-	12.11	-	12.11
"Income tax relating to items that will not be reclassified to profit or loss"	-	-	-	2.30	-	2.30
Dividend Paid	-	-	(50.67)	-	-	(50.67)
Issue of Equity Shares	-	-	-	-	(114.50)	(114.50)
Transfer to Securities Premium Account	-	-	-	-	(206.10)	(206.10)
Balance as at 31st March 2022	703.90	-	4,866.45	(0.06)	99.05	5,669.34
Balance as at 1st April 2022	703.90	-	4866.45	(0.06)	99.05	5669.34
Total Comprehensive Income for the year						
Capital Reserve	-	-	0.53	-	-	0.53
Additions during the year	254.70	-	3345.39	(9.28)	297.15	3887.96

	Reserve and Surplus			Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Share Option Outstanding	Retained Earnings			
Share options expenses for the year	-	97.23	-	-	-	97.23
Dividend Paid	-	-	(52.00)	-	-	(52.00)
Issue of Equity Shares	-	-	-	-	(141.50)	(141.50)
Transfer to Securities Premium Account	-	-	-	-	(254.70)	(254.70)
Balance as at 31st March 2023	958.60	97.23	8160.37	(9.34)	-	9206.86

As per our report of even date attached
For M S P & CO.
Chartered Accountants
Firm Registration 107565W

For and on behalf of the Board of Directors
Dynacons Systems & Solutions Ltd.
CIN No: L72200MH1995PLC093130

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Parag Dalal
Executive Director
DIN : 00409894

M. S. PARIKH
Partner
Membership No. 08684

Dharmesh Anjaria
Executive Director
DIN : 00445009

Pooja Patwa
Company Secretary &
Compliance Officer
Membership No. A60986

Mumbai : May 26, 2023

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note 1: Summary of significant accounting policies and other explanatory information

1.1 Company Overview

Dynacons Systems & Solutions Ltd ('the Holding Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act. The Company and its subsidiary (collectively 'the Group') are principally in the activities of selling IT Products & related services. The shares of the Holding Company are listed on stock exchanges in India. These consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 26th May, 2023.

1.2 SIGNIFICANT ACCOUNTING POLICIES:

1.2.1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(i) Statement of compliance and basis of preparation

The Consolidated financial statements of the Group have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value.

(ii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. These consolidated financial statements have been rounded-off to the nearest lakh, except per share data and as otherwise stated.

(iii) Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent and of its subsidiary as listed below. The financial statements of the subsidiary forming part of these consolidated financial statements are drawn up to 31 March 2023. All material inter-company transactions and balances are eliminated on consolidation.

Name of the subsidiary	Country of incorporation	% of holding either directly or through subsidiary as at	
		31-Mar-23	31-Mar-22
Dynacons Systems & Solutions PTE. Ltd	Singapore	100	100

(iv) Principles of Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 – Consolidated Financial Statements, as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group combines the financial statements of the Parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses and gains resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

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

Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'.

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

(v) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle up to twelve months for the purpose of current – non-current classification of assets and liabilities.

(vi) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(vii) Use of estimates and judgements

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated financial statements is included in the following notes:

- Lease classification – Note 1.2.18

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax expense and payable – Note 1.2.15
- Estimated useful life of property, plant and equipment and Intangible assets – Note 1.2.9
- Estimation of defined benefit obligations— Note 1.2.14
- Impairment of trade receivables- Note 1.2.22

a) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.2.2. Revenue Recognition

1.2.2.1. Sale of goods:

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract Assets

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.2.2.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

1.2.2.3. Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc. and as per terms & conditions under the contract with the customers.

1.2.2.4. Other Income

- i) Profit on sale of investments is determined as the difference between the sales price and the carrying value of the investment upon disposal of investments.
- ii) Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.
- iii) Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ;
- or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

- iv) Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
- v) Interest on Refund from Income Tax / GST department / Environment agencies Department are accounted for on receipt basis.

1.2.3. Expenditure Recognition

Expenses are accounted on the accrual basis and on crystallisation of such expenses. Provisions for all known losses and liabilities are made. Provisions are made for future unforeseeable factors, which may affect the ultimate profit on fixed price software development contracts. Expenses on software development on time-and-material basis are accounted for in the year in which it is expended. Expenses incurred for future software projects are carried forward and will be adjusted against revenue, based on the completion method. In case of new products, which are clearly defined and the costs are attributable to the products, such costs are deferred and amortized equally over a period of three to five years based on Management's evaluation of expected sales volumes and duration of the product life cycle.

1.2.4. Changes in significant accounting policies

Ministry of Corporate Affairs ("MCA") notifies new accounting standards. There is no such notification which would have been applicable from 01 April, 2021. Accordingly no new accounting standards are adopted by the company during the current year.

1.2.5. Accounting Standards Issued but not Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Recent pronouncements

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

1.2.6. Foreign currency translation

Reporting and presentation currency

The consolidated financial statements are presented in Lakhs of Indian Rupees, which is also the functional currency of the Holding Company.

Foreign currency transactions and balances

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date.

Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non controlling interest.

When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

1.2.7. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.2.8. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.9. Property, plant and equipment

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within other income or other expenses.

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

Tangible assets are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of tangible assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of tangible assets not ready for the intended use as at balance sheet date are disclosed as "capital work in progress".

Impairment testing of intangible assets and property, plant and equipment

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Depreciation

Depreciation on tangible assets is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by Management based on technical evaluation and advice. The residual value is 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Part C of Schedule II to the Companies Act, 2013 are as under:

Type of asset	Estimated useful life (Years)
Building	20
Plant and equipment	
- Computers – Desktops / Laptops	6
- Computers – Servers / Storages	3
- Computers – Others	2
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Intangible assets	6

Assets costing less than ₹ 5,000 individually have been fully depreciated in the year of purchase.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

1.2.10. Research & Development Expenditure

Revenue expenditure pertaining to research is charged to the Consolidated statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment

1.2.11. Inventories

Inventories are valued at the lower of the cost and the net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost is determined on a First in First out basis. A periodic review is made of slow-moving stock and appropriate provisions are made for anticipated losses, if any.

1.2.12. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Long-term investments other than investment in subsidiaries are valued at fair market value. Provision is made for diminution in value to recognize a decline, if any, other than that of temporary in nature. Current investments are valued at lower of cost and fair market value. Gains or losses that arise on disposal of an investment are measured as the difference between disposal proceeds and the carrying value and are recognised in the statement of profit and loss.

1.2.13. Foreign currency transactions and balances

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss.

1.2.14. Retirement Benefits to employees

i. Post-employment benefit plans Defined contribution plan

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Defined Benefit plan

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). Past service cost is recognized to the extent the benefits are already vested, and otherwise is amortized on a Straight-Line method over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

ii. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognized during the period when the employee renders the service. These benefits include performance incentives, paid annual leave, medical allowance, etc.

1.2.15. Income Tax

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

1.2.16. Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.2.17. Provisions (other than employee benefits) and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the note 30.6 Contingent assets are not recognised in the financial statements.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

1.2.18. Leases

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

The Company's lease asset primarily consists of lease for buildings. 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. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Finance Lease

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principle component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

1.2.19. Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023 which were not at arm's length basis.

1.2.20. Translation of integral and non-integral foreign operations

The group classifies all its foreign operations as either “integral foreign operations” or “non-integral foreign operations”. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve, a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Statement of profit and loss.

1.2.21. Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity’s business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortized cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI)
or
- c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at amortized Cost

Financial assets at amortized Cost Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by- instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that

financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in profit and loss.

1.2.22. Impairment

a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

Financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets are carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

1.2.23. Share based payment transactions:**Employee Stock Option Plans ("ESOPs"):**

The fair value of options determined at the grant date is recognized as an employee expense on a straight line basis (on the basis of multiple vesting of options granted), with a corresponding increase in other equity under "Employee Stock Options Outstanding account", over the vesting period of the grant, where the employee becomes entitled to the options. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the "Employee Stock Options Outstanding account".

Stock Options are granted to eligible employees in accordance with "Dynacons - Employees Stock Option Plan 2020"

(ESOP 2020), as approved by the Shareholders in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 which was amended by the Board of Directors of the Company to align with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Under Ind AS 102 on Share based Payment, the cost of stock options is recognised based on the fair value of stock options as on the grant date.

1.2.24. Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

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

Notes forming part of the consolidated financial statements for the year ended 31st Mar, 2023

2 PROPERTY, PLANT AND EQUIPMENT AND RIGHT TO USE ASSETS

(₹ In Lakhs)

Particulars	Property, Plant and Equipment						Right of Use assets
	Furnitures & Fixtures	Building	Vehicles (Cars)	Office Equipment	Computer	Total	
Balance as at 1 April 2021	13.39	100.23	155.75	5.08	292.28	566.72	359.67
Additions	0.00	0.00	132.00	1.12	108.80	241.91	0.00
Disposals	0.00	100.23	84.50	0.00	93.63	278.35	6.62
Balance as at 31 March 2022	13.39	0.00	203.24	6.19	307.45	530.27	353.05
Additions	25.13	0.00	0.00	5.01	0.00	30.14	250.85
Disposals	5.19	0.00	0.00	1.10	19.90	26.19	232.30
Acquisitions through business combinations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount of change due to revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2023	33.33	0.00	203.24	10.10	287.55	534.23	371.60
Accumulated depreciation/ amortisation							
Balance as at 1 April 2021	3.94	1.33	62.23	2.05	136.82	206.37	80.94
Depreciation / amortisation for the year	1.29	3.46	24.33	0.85	35.11	65.04	70.49
"Reversal on disposal of assets"	0.00	4.79	51.59	0.00	88.45	144.83	3.29
Balance as at 31 March 2022	5.23	0.00	34.97	2.90	83.47	126.57	148.14
Depreciation/ amortisation for the year	1.60	0.00	28.86	1.07	33.29	64.82	71.46
Reversal on disposal of assets	5.09	0.00	0.00	0.95	19.50	25.54	152.53
Balance as at 31 March 2023	1.75	0.00	63.83	3.02	97.26	165.86	67.06
Net Block							
Balance as at 1 April 2022	8.16	0.00	168.27	3.30	223.98	403.70	204.92
Balance as at 31 March 2023	31.59	0.00	139.41	7.09	190.29	368.37	304.54

Of the above, charge has been created over Furnitures & Fixtures, Vehicles, Office Equipments and Computers in regard to borrowings (Refer note 19.1)

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

		(₹ in Lakhs)	
Particulars	As at 31 st March, 2023	As at 31 st March, 2022	
3	NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
	Investments designated at fair value through Other Comprehensive Income		
(i)	In Equity Shares - Quoted, fully paid up		
	Bank Baroda Limited	0.25	0.25
	(220 (31 st March, 2022 - 220 Equity Shares of ₹ 10 each fully paid up)		
(ii)	In Units of Mutual Fund - Quoted, fully paid up		
	Bank of Baroda Large & Midcap Fund - Direct Plan - Growth Option	50.11	50.87
	(Unit 299675.326 (31 st March, 2022 - 299675.326) Equity Shares of ₹ 10 each fully paid up)		
		50.35	51.12
Total		50.35	51.12
	Aggregate amount of Quoted Investment	50.35	51.12
	Aggregate amount of Un Quoted Investment	-	-
	Market Value of Quoted Investment	50.35	51.12
	Equity Investment carried at cost	-	-
	Investment carried at fair value through other Comprehensive Income	50.35	51.12
	Investment carried at fair value through P & L	-	-
(iii)	The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').		
4	OTHER FINANCIAL ASSETS		
	Security Deposits	-	-
	Bank deposits with more than 12 months maturity	168.25	143.09
	Deposits Accounts of ₹168.25 Lakhs (As at 31 st March, 2022 ₹ 143.09 lakhs) pledged for facilities from Banks. (Refer Note 19.1)		
Total		168.25	143.09
5	DEFERRED TAX LIABILITY NET		
(a)	Amounts recognized in profit and loss		
	Current tax expense (A)		
	In respect of current year	1,127.96	573.75
	Deferred tax expense (B)		
	In respect of current year	(4.92)	(14.42)
	Adjustments for earlier years (C)		
		-	-
	Tax expense recognized in the income statement (A+B+C)	1,123.04	559.33

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31 st March, 2023			For the year ended 31 st March, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	(11.37)	2.85	(8.52)	(9.16)	2.30	(6.86)
Equity instruments through other comprehensive income	(0.76)	0.00	(0.76)	12.11	0.00	12.11
	(12.13)	2.85	(9.28)	2.95	2.30	5.25

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2023		For the year ended 31 st March, 2022	
	%	Amounts	%	Amounts
Profit before tax		4,468.43		2,202.20
Tax using the Company's domestic tax rate	25.14%	1,123.52	25.17%	554.29
Tax effect of:				
Expenses disallowed for tax purposes	1.85%	20.81	4.84%	26.85
Permanent Difference	(1.90%)	(21.30)	(1.47%)	(22.55)
Others	-	-	-	-
TOTAL	(0.04%)	(0.49)	3.37%	4.30
Effective income tax rate	25.10%	1,123.04	28.54%	558.59

(d) Movement in deferred tax

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Provisions - employee benefits	53.54	51.03	-	-	(53.54)	(51.03)
Provisions - others	-	-	-	-	-	-
Other items	-	-	-	-	-	-
Property, plant and equipment	-	-	61.58	38.57	61.58	38.57
Restatement of financial assets	-	-	-	-	-	-
Lease Rentals	52.33	26.90	-	-	(52.33)	(26.90)
Deferred tax (assets) liabilities	105.87	77.94	61.58	38.57	(44.29)	(39.37)

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
6 INVENTORIES		
Stock-in-trade	3,663.38	7,090.64
Total	3,663.38	7,090.64

Inventories of ₹3,663.38 lakhs (as at 31st March, 2022: ₹7,090.64 lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)

7 TRADE RECEIVABLES

(Unsecured and Considered Good)

Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	30,112.35	17,550.06
Trade Receivables which have significant increase in Credit Risk;	-	17.54
Trade Receivables - credit impaired	-	-
	30,112.35	17,567.60
Less Provision for expected credit loss	13.68	-
Total	30,098.68	17,567.60

7.1 Movement in allowance for expected credit loss

Balance at the beginning of the year	-	17.54
Amounts written off	-	(17.54)
Allowance during the year	13.68	-
Reversal during the year	-	-
Balance at the end of the year	13.68	-

7.2 Trade Receivables ageing schedule

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	27,797.46	1,149.66	328.32	644.07	179.16	30,098.68
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

Ageing Schedule is in respect of Overdue cases including where no due date of payment is specified

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2023	31 st March, 2022

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	14,854.21	1,922.73	276.00	313.16	201.49	17,567.60
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-
Ageing Schedule is in respect of Overdue cases including where no due date of payment is specified						

7.3 Trade Receivables of 30098.68 lakhs (as at 31st March, 2022: ₹ 17567.60 Lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)

7.4 The carrying amount of the Trade Receivables are considered as a reasonable approximation of fair value as it is expected to be collected within twelve months

7.5 The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 30.8

8 CASH AND CASH EQUIVALENTS

Cash on hand	2.51	3.46
Balances with banks in current accounts	86.37	77.07
Demand deposits with Banks	1,540.32	803.04
Total	1,629.21	883.57

Deposits Accounts of ₹1540.32 Lakhs (As at 31st March, 2022 ₹ 803.04 lakhs) pledged for facilities from Banks. (Refer Note 19.1)

9 OTHER BALANCES WITH BANKS

-Balances with bank held as margin money	2,956.78	2,661.44
Total	2,956.78	2,661.44

**10 SHORT TERM LOANS AND ADVANCES
(Unsecured and Considered Good)**

Loans & Advances to employees	34.59	13.21
Total	34.59	13.21

**11 OTHER FINANCIAL ASSETS
(Unsecured and Considered Good)**

Security Deposits	626.44	812.50
Total	626.44	812.50

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
12 OTHER CURRENT ASSETS		
Duties & Taxes (Net of provisions)	316.62	34.64
Total	316.62	34.64
13 EQUITY SHARE CAPITAL		
(a) Authorised Share Capital		
30,000,000 Equity shares of ₹10 each (Previous Year 30,000,000 Equity shares of ₹10 each)	3,000.00	3,000.00
(b) Issued, Subscribed and Fully Paid up :		
(1,12,78,080) Equity shares of ₹ 10 each (Previous year 1,01,33,080 Equity shares of ₹ 10 each)	1,269.31	1,127.81

13.1 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	1,12,78,080.00	1,127.81	1,01,33,080.00	1,013.31
Issued during the year	14,15,000.00	141.50	11,45,000.00	114.50
Equity Shares at the end of the year	1,26,93,080.00	1,269.31	1,12,78,080.00	1,127.81

Additional Information

Sr. no	Promoter's Name	Warrants held as on 31-03-2022	Converted in equity shares during F Y 2022-23	Balance Warrants (Pending for Conversion at 31-03-2023)	Warrants held as on 31-03-2021	Converted in equity shares during F Y 2021-22	Balance Warrants (Pending for Conversion at 31-03-2022)
1	Jigna D Anjaria	80,000	80,000	-	80,000	-	80,000
2	Dharmesh S Anjaria (HUF)	1,60,000	1,60,000	-	1,60,000	-	1,60,000
3	Parag J Dalal (HUF)	1,60,000	1,60,000	-	1,60,000	-	1,60,000
4	Devangi Parag Dalal	80,000	80,000	-	80,000	-	80,000
5	Shirish M Anjaria (HUF)	1,60,000	1,60,000	-	1,60,000	-	1,60,000
6	Nilam Shirish Anjaria	1,60,000	1,60,000	-	1,60,000	-	1,60,000
7	Hasumati Jitendra Dalal	80,000	80,000	-	80,000	-	80,000
8	Pankti Dalal	40,000	40,000	-	40,000	-	40,000
9	Dhvani Dalal	40,000	40,000	-	40,000	-	40,000
10	Trigem Infosolutions Limited	4,55,000	4,55,000	-	16,00,000	11,45,000	4,55,000
	Total	14,15,000	14,15,000	-	25,60,000	11,45,000	14,15,000

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023
13.2 Shareholding of Promoter

Sr. no	Promoter's Name	As at 31 March 2023			As at 31 March 2022		
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
1	Shirish Mansinh Anjaria	1160948	9.15%	-	1160948	10.29%	-
2	Parag Jitendra Dalal	959816	7.56%	1%	947200	8.40%	-
3	Jigna Dharmesh Anjaria	291463	2.30%	38%	211463	1.87%	-
4	Dharmesh Shirish Anjaria HUF	410000	3.23%	64%	250000	2.22%	-
5	Parag Jitendra Dalal HUF	470077	3.70%	52%	310077	2.75%	-
6	Devangi Parag Dalal	269640	2.12%	42%	189640	1.68%	-
7	Shirish Mansinh Anjaria HUF	413543	3.26%	63%	253543	2.25%	-
8	Dharmesh Shirish Anjaria	956890	7.54%	0%	956890	8.48%	-
9	Nilam Shirish Anjaria	524602	4.13%	44%	364602	3.23%	-
10	Hasumati Jitendra Dalal	132200	1.04%	104%	64816	0.57%	-
11	Trigem Infosolutions Limited	2086475	16.44%	28%	1631475	14.47%	235.37%
12	Pankti Dalal	40000	0.32%	100%	-	-	-
13	Dhvani Dalal	40000	0.32%	100%	-	-	-
	Total	7755654	61.10%		6340654	56.22%	

13.3 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31 Mar 2023		As at 31 Mar 2022	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansinh Anjaria	11,60,948.00	9.15	11,60,948.00	10.29
Dharmesh Shirish Anjaria	9,56,890.00	7.54	9,56,890.00	8.48
Parag Jitendra Dalal	9,59,816.00	7.56	9,47,200.00	8.40
Trigem Infosolutions Limited	20,86,475.00	16.44	16,31,475.00	14.47

13.4 The Company has allotted 9,60,000 equity shares & 4,55,000 equity share of Rs 10 each at a premium of ₹18 per share on a Preferential basis on September 1, 2022 & September 24,2022 respectively against the warrants converted by the holders.

13.5 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 the both legal and beneficial ownership of shares.

13.6 The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholdings.

13.7 During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

13.8 The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on August 10,2022, declared an interim dividend of ₹ 0.50/- per share on the nominal value of ₹ 10/-each and paid to all the eligible shareholders as at August 23, 2022. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2023.

13.9 Shares reserved for issue under option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 30.3. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the Company on or before the vesting date.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
14 OTHER EQUITY		
Capital Reserve	1.30	0.78
Securities premium account	958.60	703.90
General reserve	190.46	190.46
Retained earnings	7,968.61	4,675.22
Money received against share warrants	-	99.05
Other comprehensive income	(9.34)	(0.06)
Share option outstanding	97.23	-
Total	9,206.86	5,669.34

The movement in Other Equity:**(a) Capital Reserve**

Opening Balance	0.78	0.60
Add : Consolidation of Subsidiary Investments	0.53	0.18
Total	1.30	0.78

(b) Securities premium account

As per last Balance Sheet	703.90	497.80
Add : Premium on shares issued during the year	254.70	206.10
Total	958.60	703.90

Securities premium account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.

(c) General reserve

As per last Balance Sheet	190.46	190.46
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General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.

(d) Surplus in Statement of Profit and Loss

As per last Balance Sheet	4,675.22	3,083.02
Less : Dividend Distributed	(52.00)	(50.67)
Add: Profit for the year	3,345.39	1,642.87
	7,968.61	4,675.22

Surplus in Statement of Profit and Loss comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.

(e) Money received against share warrants	99.05	179.20
Add : Monies received during the year	297.15	240.45
	396.20	419.65
Less : Issue of Shares	141.50	114.50
Less : Transfer to Securities Premium Account	254.70	206.10
	-	99.05

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
<p>A preferential issue of 35,20,000 Warrants convertible into equivalent number of equity shares of Rs.10 each at a price of Rs. 28/- each (including premium of Rs. 18/- each) was approved by the board of directors on 03rd September 2020 for issuance to the promoter directors and Managing Director as per the provisions of SEBI (ICDR) Regulations and in accordance with the applicable provisions of the Companies Act, 2013 The preferential issue of Convertible warrants were approved by shareholders by in AGM held on dated 30th September, 2020. In pursuance of the above the company received Rs. 2,97,15,000/- towards 14,15,000 warrant at Rs 21 each . The above 14,15,000 warrants have been converted to equity shares of Rs. 10 each at premium of Rs. 18 each and allotted on preferential basis to the Promoter's Group of the Company 9,60,000 warrants converted into equity shares in meeting held on September 01,2022 & 4,55,000 warrants converted into equity shares in meeting held on September 24,.2022 & in aggregate 14,15,000 warrant converted into equity shares.</p> <p>The Proceeds of issue has been utilised for the purpose for which they have been raised have been raised Refer Note 30.4</p>		
Total reserves and surplus	9,118.97	5,669.41
(f) Other comprehensive income		
Balance at the beginning of the year	(0.06)	(5.31)
Add : Movement during the year	(9.28)	5.25
Balance at the end of the year	(9.34)	(0.06)
(g) Share option outstanding		
Opening balance	0.00	0.00
Add : Granted/ vested during the year	97.23	0.00
Balance at the end of the year	97.23	0.00
Total Other Equity	9,206.86	5,669.34
15 Long-Term Borrowings		
Term Loans		
Secured		
From Banks	1,749.57	1,214.68
Unsecured		
From Banks	221.09	308.24
	1,970.65	1,522.92
Less: Current maturities of long-term loan from bank (included in note 19)		
Secured	291.16	238.72
Unsecured	83.25	83.25
	374.41	321.97
Total	1,596.25	1,200.95
Non Current Liabilities - Long Term Borrowings		
Secured		
From Banks	1,458.41	975.95
From Others	-	-

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
	1,458.41	975.95
Unsecured		
From Banks	137.84	224.99
	137.84	224.99
Total	1,596.25	1,200.95

FY 2022-23

Particulars	Security	Currency	Rate of interest	Non - Current	Current
1) Term loan from banks Repayable in 8 equal Quaterly instalments of 94.80 lakhs beginning from 07 September 2024 and ending on 23 Jun 2026.	Security Details : 1) 1 st Charge Pari Passu by way of Hypothecation on Current Assets and All Movable Fixed Assets(excluding vehicles) both present and Future. Other charge sharing bank/ institutions: HDFC Bank 2) Sole Charge by way of Equitable Mortgage on Property/ FD. 3) Personal Guarantee of Director	INR	MCLR 3 Month	758.44	0.00
2) Vehichle Loan - Repayable in balance 44 monthly instalments of 0.98 lakhs, ending on 07 November 2026.	Motor Vehicle (Hypothecation)	INR	7.00%	28.77	9.48
3) Vehichle Loan - Repayable in balance 48 monthly instalments of 1.28 lakhs, ending on 07 March 2027.	Motor Vehicle (Hypothecation)	INR	6.80%	41.61	12.09
4) Term loan from banks - Repayable in balance 36 monthly instalments of 14.58 lakh, ending on 03 March 2026.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of the Bank.	INR	MCLR +1%	350.00	175.00
5) Term loan from banks - Repayable in balance 48 monthly instalments of 7.59 lakh, ending on 10 March 2027.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of the Bank.	INR	MCLR +1%	273.15	91.05
6) Term loan from banks - Repayable in balance 33 monthly instalments of 6.93 lakh, ending on 30 December 2025.	Unsecured	INR	MCLR 3M + 1.10	137.84	83.25
7) Term loan from banks - Repayable in balance 32 monthly instalments of 0.35 lakh, ending on 10 November 2025.	Motor Vehicle	INR	8.01%	6.45	3.54

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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FY 2021-22

Particulars	Security	Currency	Rate of interest	Non - Current	Current
1) Vehicle Loan - Repayable in balance 58 monthly instalments of 0.98 lakhs, ending on 07 November 2026.	Motor Vehicle	INR	7.00%	38.25	8.84
2) Vehicle Loan - Repayable in balance 60 monthly instalments of 1.28 lakhs, ending on 07 March 2027.	Motor Vehicle	INR	6.80%	53.70	11.30
3) Term loan from banks - Repayable in balance 48 monthly instalments of 14.58 lakh, ending on 03 March 2026.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of thye Bank.	INR	MCLR +1%	525.00	175.00
4) Term loan from banks - Repayable in balance 48 monthly instalments of 7.59 lakh, ending on 10 March 2027.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of thye Bank.	INR	MCLR +1%	349.03	15.18
5) Term loan from banks - Repayable in balance 45 monthly instalments of 6.93 lakh, ending on 30 December 2025.	Unsecured	INR	MCLR 3M + 1.10	224.99	83.25
6) Term loan from banks - Repayable in balance 44 monthly instalments of 0.35 lakh, ending on 10 November 2025.	Motor Vehicle	INR	8.01%	9.98	3.27
7) Vehicle Loan Repayable balance in 8 monthly instalments of 0.83 lakhs, starting from 10 Dec 2020 and ending on 10 Nov 2025.	Motor Vehicle	INR	8.78%	0.00	5.70
8) Term loan from banks Repayable in 1 instalments of 19 lakhs, ending on 30 April , 2021.	Extention of ranking charge over Existing primary and collateral securities including mortgages created in favour of thye Bank.	INR	BLLLR	0.00	19.44
				1,200.95	321.97

16 LEASE LIABILITIES -NON-CURRENT

Lease Liabilities	257.41	171.80
Refer Note no 30.9		
	257.41	171.80

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
17 LONG TERM PROVISIONS		
Provision for employee benefits:		
i) Provision for other defined benefit plans		
- Gratuity (Refer Note 30.2)	202.27	180.93
ii) Leave Encashment	58.27	36.35
Total	260.54	217.28
18 OTHER NON CURRENT LIABILITIES		
Unpaid Dividends	13.74	6.27
Other Payables*	0.00	0.00
Total	13.74	6.27
* Includes staff dues.		
19 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Loans repayable on demand		
Working Capital Loans :		
-Working Capital Loans From Banks	4,572.24	4,651.50
-Current maturities of long-term debt	291.16	238.72
Unsecured		
-Current maturities of long-term debt	83.25	83.25
	4,946.65	4,973.47
Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit, Bank fixed deposits and Property, Plant & Equipment and personal guarantees of directors.		
20 LEASE LIABILITIES - CURRENT		
Lease Liabilities	62.53	68.28
	62.53	68.28
21 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	3.06	3.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,911.05	16,048.90
Total	21,914.11	16,052.60

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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21.1 Trade Payable ageing Schedule

Ageing for trade payables outstanding as at March 31, 2023 is as follows

Particulars	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
MSME	3.06	-	-	-	3.06
Others	21,826.76	44.84	21.31	18.14	21,911.05
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

Ageing Schedule is in respect of overdue cases including where no due date of payment is specified.

Ageing for trade payables outstanding as at March 31, 2022 is as follows

Particulars	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
MSME	3.70	-	-	-	3.70
Others	16,013.48	18.09	13.84	3.48	16,048.90
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

Ageing Schedule is in respect of overdue cases including where no due date of payment is specified.

21.2 The Company has certain dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows :

Particulars	As at 31 Mar, 2023	As at 31 Mar, 2022
Principal amount due and remaining unpaid	3.06	3.70
Interest due and unpaid on the above amount	0.00	0.00
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	0.00	0.00
Payment made beyond the appointed day during the year	0.00	0.00
Interest due and payable for the period of delay	0.00	0.00
Interest accrued and remaining unpaid	0.00	0.00
Amount of further interest remaining due and payable	0.00	0.00

21.3 Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made during the year.

22 OTHER CURRENT LIABILITIES

Other Payables*	734.10	418.01
Total	734.10	418.01

* includes statutory dues and others

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
23 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	80,446.86	65,397.61
Total	80,446.86	65,397.61
a) The Company is engaged in systems Integration which includes the sales of products and services as a complete solution		
b) Disaggregate Revenue		
The table below presents disaggregated revenues of the Company from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.		
Total revenue from contracts with customers		
India	77,874.75	63,097.21
Export (Including deemed export)	2,539.75	2,300.39
Singapore (1)	32.37	0.00
Total	80,446.86	65,397.61
(1) Related to operations in Singapore		
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	86,822.88	70,520.36
Less: Adjustements		
Sales return	(6376.02)	(5122.75)
Revenue from contracts with Customers	80,446.86	65,397.61
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	30,112.35	17,567.60
Allowance as per Expected credit loss model	13.68	0.00
Total	30,098.68	17,567.60
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
24 Other Income		
Interest income	202.14	186.23
Others #	27.52	0.37
Total	229.65	186.60
# includes Miscellaneous income		

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
25 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	67,281.72	61,681.89
Total	67,281.72	61,681.89
26 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	3,663.38	7,090.64
	3,663.38	7,090.64
Inventories at commencement		
Stock-in-Trade	7,090.64	4,246.66
	7,090.64	4,246.66
Total	3,427.26	(2843.98)
27 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,849.96	2,575.59
Contributions to provident and other funds	152.40	143.87
Staff Welfare Expenses	74.01	37.37
Total	3,076.37	2,756.82
28 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost	29.56	29.86
b) Interest on borrowings	519.94	433.37
c) Other interest cost	384.35	276.91
d) Others	152.99	153.14
	1,086.84	893.28
29 Other Expenses		
Electricity Expenses	9.99	8.36
Rent	32.67	28.38
Communication Expenses	19.54	16.56
Auditors Remuneration	9.00	9.08
Bank Charges	5.07	8.75
Conveyance And Travelling Expenses	379.29	199.03
Insurance Charges	37.00	23.49
Legal & Professional Charges	128.70	101.88
Loss on expiry of useful life of assets	0.65	5.18
Loss on sale of Fixed Assets	-	3.50
Membership & Subscription	45.66	4.08
Miscellaneous Expenses	47.24	38.44

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Corporate social responsibility expenditure	27.54	17.00
Motor Car Expenses	12.62	11.49
Bad Debts Written off	13.68	31.22
Printing & Stationary Expenses	18.72	6.51
Rates & Taxes	59.18	30.95
Repairs & Maintenance -Building	2.58	2.95
Repairs & Maintenance - Others	10.76	4.39
Sales Promotion Expenses	16.75	30.97
Transportation Charges	322.97	176.26
Total	1,199.61	758.47

29.1 Auditors Remuneration

- Audit Fees	9.00	9.00
- Other	-	0.08
Total	9.00	9.08

29.2 Miscellaneous Expenses includes office Expense postage & telegram exp etc

30.3 Details of corporate social responsibility expenditure

(a) Amount required to be spent by the Company	27.49	16.90
(b) Amount spent during the year on:		
i Construction or acquisition of any asset	-	-
ii On purposes other than (i) above		
CSR Committee has identified & approved projects which was paid as under.		
Out of CSR fund of F.Y.- 22-23	27.54	
Out of CSR fund of F.Y.- 21-22	-	17.00
iii Shortfall at the end of the year out of the amount required to be spent by the Company during the year;	-	-
iv Total of previous years shortfall	-	-
v Reason for shortfall	Not Applicable	Not Applicable
vi Nature of CSR activities	“Promoting Education, Healthcare, Eradicating hunger and poverty & Animal welfare”	
vii Details of related party transactions:		
Josh Foundation	8.00	5.00

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

30.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit after Tax	(₹/lakhs)	3,345.39	1642.87
Weighted Number of Equity Shares	Nos. Lakhs	120.42	106.95
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	27.78	15.36
Weighted average number of shares outstanding and dilutive shares	Nos. Lakhs	120.75	121.10
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	27.70	13.57

30.2. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans – Gratuity:

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the status of the Gratuity Plan and the amounts recognized in the financial statement:

(₹ in Lakhs)

Particulars	2023	2022
I. Assumptions :		
Discount Rate	7.44%	6.33%
Salary escalation rate	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	180.93	143.79
Current Service Cost	28.64	42.50
Benefits Paid	(7.30)	(5.35)
Balance	202.27	180.93
Liability at the end of the year	202.27	180.93
III. Amount Recognized in the Balance Sheet		
Liability at the end of the year	202.27	180.93
Difference Adjusted	-	-
Amount Recognized in the Balance Sheet	202.27	180.93
IV. Expenses Recognized in the Income Statement:		
Current Service Cost	40.00	33.34
Expense Recognized in P & L	40.00	33.34
IV. Expenses Recognized in the OCI :		
Current Service Cost	11.37	(9.16)
Expense Recognized in P & L	11.37	(9.16)

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

Maturity Analysis of the Benefit Payments

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Year Ended March 31, 2023	Year Ended March 31, 2022
1st Following Year	10.07	4.75
2nd Following Year	9.68	5.22
3rd Following Year	6.75	13.26
4th Following Year	7.72	6.05
5th Following Year	7.50	6.72
Sum of Years 6 To 10	50.00	44.08
Sum of Years 11 and above	530.34	466.66

Sensitivity Analysis

(₹ in Lakhs)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Projected Benefit Obligation on Current Assumptions	202.27	180.93
Delta Effect of +1% Change in Rate of Discounting	(22.73)	(21.55)
Delta Effect of -1% Change in Rate of Discounting	27.22	26.00
Delta Effect of +1% Change in Rate of Salary Increase	27.44	26.27
Delta Effect of -1% Change in Rate of Salary Increase	(23.42)	(22.11)
Delta Effect of +1% Change in Rate of Employee Turnover	5.88	4.50
Delta Effect of -1% Change in Rate of Employee Turnover	(6.83)	(5.26)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Employer's contribution to Provident Fund during the year is 104.30 Lakh (P.y. 95.47 Lakhs)

30.3. Employee Stock Option Plan

The Company had a Dynacons - Employees Stock Option Plan 2020 (ESOP – 2020) which provided for the grant of equity shares of the Company to the eligible employees of the Company. The Board of Directors recommended the establishment of the ESOP 2020 on September 03, 2020 and shareholders approved the recommendations of the Board of Directors in Annual General Meeting held on September 30, 2020. ESOP- 2020 was further amended by the Nomination and Remuneration Committee and Board of Directors of the Company at their meetings held on March 10, 2022 in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB and Sweat Equity Regulations). The maximum aggregate number of shares that may be awarded on the grant of stock options under ESOP 2020 is 15,00,000 equity shares. Under ESOP 2020, the Company had approved grant vide its Nomination and Remuneration committee meeting held on August 10, 2022 under ESOP 2020. As per the plan, option granted under ESOP- 2020 would vest over a period of 1 year to 2 years from the date of grant of such options. The Plan is Equity Settled Plan.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

Particulars	Grant I	Grant II
	ESOP 2020	
Date of Grant	August 10, 2022	August 10, 2022
Date of Share holders Approval	September 30, 2020	September 30, 2020
Date of Board of Directors Approval / Committee	September 03, 2020	September 03, 2020
No. of Option	21550	11950
Method of settlement (Cash/ Equity)	Equity	Equity
Vesting Period	1 Years	2 Years
Exercise Price (Per Share Rs.)	Rs 10	Rs 10
Exercise Period	Options vested may be exercised by the Option Grantee within a maximum period of two Year from the date of last vesting of Options. Hence maximum term of Options granted is 3 years	Options vested may be exercised by the Option Grantee within a maximum period of two Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years
Ext. of Exercise Period	None	None

30.4. Related Party Disclosures

a. The names of related parties and the nature of relationship are as under:

(i) Holding Company

Dynacons Systems & Solutions Limited

(ii) Entities in which Directors or their relatives are interested and with whom transaction taken place

S. P. Corporation

Trigem Infosolutions Limited

Josh Foundation

(iii) Key Managerial Personnel

a) Executive Director

Shirish M. Anjaria

Parag J. Dalal

Dharmesh S. Anjaria

b) Other than Directors

Ravishankar Singh Company Secretary & Compliance officer (Resigned w.e.f. June 30,2022)

Pooja Patwa (Appointed as Company Secretary & Compliance Officer w.e.f. July 01,2022)

(iv) Non-Executive Director and Independent Director

Jitesh Jain

Viren Champaklal Shah (Ceased to be non-executive Independent director w.e.f September 30,2022)

Archana Phadke

Vijay Maganlal Doshi (Appointed w.e.f September 05, 2022)

(v) Other Related Party (Significant Influences)

Jigna D Anjaria

Dharmesh S Anjaria (HUF)

Parag J Dalal (HUF)

Devangi Parag Dalal

Shirish M Anjaria (HUF)

Nilam Shirish Anjaria

Hasumati Jitendra Dalal

Pankti Dalal

Dhvani Dalal

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

The transactions with the related parties are as under:

A. Payments for expenses

Party	Nature of Payment	2023 (₹/lakhs)	2022 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.49	2.49
Mr. Shirish M. Anjaria	Remuneration	78.00	54.00
Mr. Parag J. Dalal	Remuneration	72.00	49.50
Mr. Dharmesh S. Anjaria	Remuneration	72.00	49.50
Mr. Ravishankar Singh	Remuneration	0.52	2.08
Ms. Pooja Patwa	Remuneration	8.20	-
Josh Foundation	Corporate social responsibility expenditure	8.00	5.00

B. Preferential Allotment of warrants Convertible into Shares to Related Parties

Party	Nature of Payment	As at 31st March, 2023		As at 31st March, 2022	
		No of Warrants	Amount Received (₹/lakhs)	No of Warrants	Amount Received (₹/lakhs)
Jigna D. Anjaria	Amount received against warrant converted into Equity shares	80,000	16.80	-	-
Dharmesh S Anjaria (HUF)	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Parag J Dalal (HUF)	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Devangi Parag Dalal	Amount received against warrant converted into Equity shares	80,000	16.80	-	-
Shirish M Anjaria (HUF)	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Nilam Shirish Anjaria	Amount received against warrant converted into Equity shares	1,60,000	33.60	-	-
Hasumati Jitendra Dalal	Amount received against warrant converted into Equity shares	80,000	16.80	-	-
Pankti Dalal	Amount received against warrant converted into Equity shares	40,000	8.40	-	-
Dhvani Dalal	Amount received against warrant converted into Equity shares	40,000	8.40	-	-
Trigem Info solutions Limited	Amount received against warrant converted into Equity shares	4,55,000	95.55	11,45,000	240.45

30.5. Segment Information

The company operates in the single segment of System Integration and Services.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

30.6. Contingent Liabilities

- a) Claims against the Company not acknowledged as debts:

Particulars	Period to which the amount relates	Forum where the dispute is pending	2023 (₹/lakhs)	2022 (₹/lakhs)
Income tax	AY 2017-18	CIT Appeals	-	6.86
GST	FY 2018-19	Appeal to Appellate Authority	9.64	

- b) Guarantees given by the company's bankers ₹ 4635.69 lakhs (previous year ₹ 4139.81lakhs)

30.7. Financial Instruments

A. Capital Management :

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 13, 15 and 19) and total equity of the Company.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Non-current borrowings	1,596.25	1,200.95
Current maturities of non-current borrowings	374.41	321.97
Current borrowings	4,572.24	4,651.50
Total Debt	6,542.89	6,174.42
Equity	10,476.16	6,797.15
Net debt to equity ratio	0.62	0.91

For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

B. Financial Instruments-Accounting Classifications and Fair value measurements (Ind AS 107)

- i) **Classification of Financial Assets and Liabilities:**

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Financial Assets		
Measured at amortised cost		
Trade receivables	30,098.68	17,567.60
Cash and cash equivalents	1,629.21	883.57
Bank balances other than above	2,956.78	2,661.44
Short Term Loans and advances	34.59	13.21
Other Financial Assets	626.44	812.50
Designated at fair value through other comprehensive income		
Investments in equity shares	50.35	51.12
Total	35,396.05	21,989.44

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	1,596.25	1,200.95
Lease Liabilities	319.94	240.08
Short-Term Borrowings	4,946.65	4,973.47
Trade Payables	21,914.11	16,052.60
Total	28,776.94	22,467.09

ii) Fair Value Measurements (Ind AS 113):

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets, which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and Financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

- > **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- > **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- > **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2023 and 31 March 2022:

(a) Quantitative disclosures fair value measurement hierarchy for assets as at the reporting date:

(₹ in Lakhs)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Fair value through Other Comprehensive Income Investments in quoted - equity instrument	31-Mar-23	50.35	50.35	-	-
	31-Mar-22	51.12	51.12	-	-

There have been no transfers between levels during the period.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

Investment in quoted equity instrument are valued based on the quoted prices available in the market as at the reporting date.

*Investments in Unquoted Equity Shares i.e Level 3 fair value measurement are valued at carrying cost since amounts are not materials. Investments in unquoted equity shares are made in banks as part of mandatory requirements for obtaining finances from the financing bank.

The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values:

(₹ in Lakhs)

Particulars	Total	FVTOCI financial investments
Balance as at 31 March, 2021	39.00	39.00
Addition / (Deletion) during the year	12.11	12.11
Balance as at 31 March, 2022	51.11	51.11
Addition / (Deletion) during the year	(0.76)	(0.76)
Balance as at 31 March, 2023	50.35	50.35

Loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

30.8.Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, investments, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions to hedge and holds short term investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below:

a) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, investment in mutual funds etc.

Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 90 to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
0-180 days	27,797.46	14,854.21
More than 180 Days	2,301.22	2,713.39
Total	30,098.68	17,567.60

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters. In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Few of the customers failed to pay the dues within the agreed terms. The Company is taking appropriate action to recover the amount. However, based on the Company's accounting policy ₹ 13.68 Lakhs had been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2023.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in Debentures, Preference shares, mutual funds, derivative contracts and loan to subsidiary companies. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

b) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Liquidity risk is managed by Company through effective fund management. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 90 -120 days based on the credit period. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The Company's non-derivative financial liabilities have contractual maturities as summarised below:

(₹ in Lakhs)

Particular	Contractual cash flows		
	Carrying amount	Upto 1 year	More than 1 year
As at 31 March 2023			
Borrowings	4,572.24	4,572.24	-
Trade Payables	21,914.11	21,914.11	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	1,970.65	374.41	1,596.25
As at 31 March 2022			
Borrowings	4,651.50	4,651.50	-
Trade Payables	16,052.60	16,052.60	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	1,522.92	321.97	1,200.95

c) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD)

To mitigate the Company's exposure to foreign currency risk, cash flows are continuously monitored.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate: -

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	216.43	499.51
Net exposure for assets	216.43	499.51
Financial liabilities		
Trade Payables	-	-
Net exposure for liabilities	-	-
Net exposure (Assets - Liabilities)	216.43	499.51

The company has not entered in any forward contract for hedging or otherwise in respect of foreign currencies during the year, and there are no such contracts outstanding at the end of the year.

Sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate 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. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact on profit or loss

Movement in currency (Before tax)	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022
USD	10.82	24.98	(10.82)	(24.98)

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's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

The Company's investments in term deposits (i.e. certificates of deposits) with banks, investments in preference shares, mutual funds and debentures are at fixed interest rate and therefore do not expose the company to significant interest rate risk.

Interest Rate Exposure

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Variable Rate Borrowings	6,440.96	6043.38
Fixed Rate Borrowings	101.93	131.03
	6,542.89	6,174.42

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate	Increase in Interest rate by 0.25%		Decrease in Interest rate by 0.25%	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Variable rate borrowings	16.10	15.11	(16.10)	(15.11)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

30.9. Lease Commitments**Operating Lease**

The company has lease contract for office premises and these lease contracts are cancellable-renewable for further period on mutually agreeable terms during the tenure of leases contracts.

Leases have lease terms between 2 and 5 years The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has lease contracts that includes extension option, however the lease term in respect of such extension option is not defined in the contract.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

The Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2021. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 12.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended March 31, 2023:

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Balance at the beginning of the year	240.07	305.58
Lease liabilities recognised on initial application of Ind-AS 116	-	-
Leased liability recognised during the year	250.85	-
Reversals	(107.11)	(7.43)
Finance cost accrued during the period	29.56	33.96
Payment of lease liabilities	(93.43)	(92.03)
Balance at the end	319.93	240.07
Lease Liability – Current	62.53	68.27
Lease Liability - Non-Current	257.41	171.80

Expenses relating to short term leases and low value assets have been disclosed under Rent in Note.29

30.10. Disclosures as required under schedule III to the Companies Act 2013 with respect to Consolidated Financial Statements

(₹ in Lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated profit or loss	Amount
Dynacons Systems & Solutions PTE Ltd.	-	19.89	-	7.74	-	-	-	7.74

30.11. KEY FINANCIAL RATIOS

No.	Ratio	As at 31 March 2022	As at 31 March 2022	% Variance	Remarks
1	Current ratio (in times)	1.42	1.35	5.19%	Not Applicable
	Numerator: Total current assets				
	Denominator: Total current liabilities				
2	Debt-Equity ratio (times)	0.62	0.91	(31.87%)	Movement in ratio is due to improvement in Shareholder's Equity and repayment of term loans during the current year.
	Numerator: Debt consists of borrowings				
	Denominator: Total equity				

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

No.	Ratio	As at 31 March 2022	As at 31 March 2022	% Variance	Remarks
3	Debt service coverage ratio (in times) Numerator: Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments Denominator: Debt service = Interest + Principal repayments	8.41	6.13	37.19%	Movement in ratio is due to improvement in net profit
4	Return on equity ratio (in %) Numerator: Profit for the year Denominator: Average total equity	38.73%	27.95%	38.57%	The Ratio shows improvement during the year due to increase in Net profit
5	Trade receivables turnover ratio (in times) Numerator: Revenue from operations Denominator: Average trade receivables	3.38	4.71	(28.24%)	Revenue from operation have increased & this increase has led to consequent increase in the trade receivable. further increased technical complexity of project has lead to increase in the trade receivable
6	Trade payables turnover ratio (in times) Numerator: Cost of equipment and software licences + Other expenses Denominator: Average trade payables	3.72	4.89	(23.93%)	Not Applicable
7	Net Working capital turnover ratio (in times) Numerator: Revenue from operations Denominator: working capital (i.e., Total current assets less Total current liabilities)	6.89	8.66	(20.44%)	Not Applicable
8	Net profit ratio (in %) Numerator: Profit for the year Denominator: Revenue from operations	4.16%	2.51%	65.74%	Ratio has increased on account of higher margin & consequently increase in PAT & Revenue during the year
9	Return on capital employed (in %) Numerator: Profit before tax and finance costs Denominator: Average Capital employed (Capital Employed: Total Equity+ Borrowings)	36.99%	28.19%	31.22%	Ratio has increased on account of increase in EBIT during the current year.
10	Return on investment (in %) Numerator: Income generated from invested funds Denominator: Average invested funds in treasury investments	0.00%	0.00%	0.00%	Not Applicable

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2023

30.12. The Company has not traded or invested in Crypto currency or Virtual Digital Assets during the period.

Description	Amount
Profit/Loss on transactions involving crypto/VDA	Nil
Amount of currency held as at reporting date	Nil
Deposits/advances from any purpose of trading/investing in crypto currency/virtual currency	Nil

30.13. The management have neither come across any instance of fraud on or by the Company, noticed or reported during the financial year.

30.14. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As per our report of even date
For **M S P & Co.**
Firm Registration 107565W
Chartered Accountants

For and on behalf of the Board of Directors

M. S. PARIKH
Partner
Membership No. 08684

Shirish Anjaria
Chairman cum
Managing Director
DIN : 00444104

Parag Dalal
Executive Director
DIN : 00409894

Place: Mumbai
Date : May 26, 2023

Dharmesh S. Anjaria
Executive Director
DIN: 00445009

Pooja Patwa
Company Secretary
& Compliance Officer
Membership No. A60986



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