



DYNACONS
SOLUTIONS THAT EMPOWER

Date: September 07, 2022

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

Sub.: Annual Report of Dynacons Systems & Solutions Limited for Financial Year 2021-22.

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 27th Annual General Meeting (AGM) to be held on Friday, September 30, 2022, at 3:00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") of Dynacons Systems & Solutions Ltd for Financial Year 2021-2022.

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

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



27TH ANNUAL REPORT 2022

Enabling Digital Transformation

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.

What We Do

- ➔ Dynacons Enterprise Services include a wide spectrum of Enterprise IT and Office Automation Services.
- ➔ It includes 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.

Specialty Certification



ISO-9001:2008



ISO-14001:2015



ISO-2000-1:2011



ISO-27001:2013



CMMI Level 5

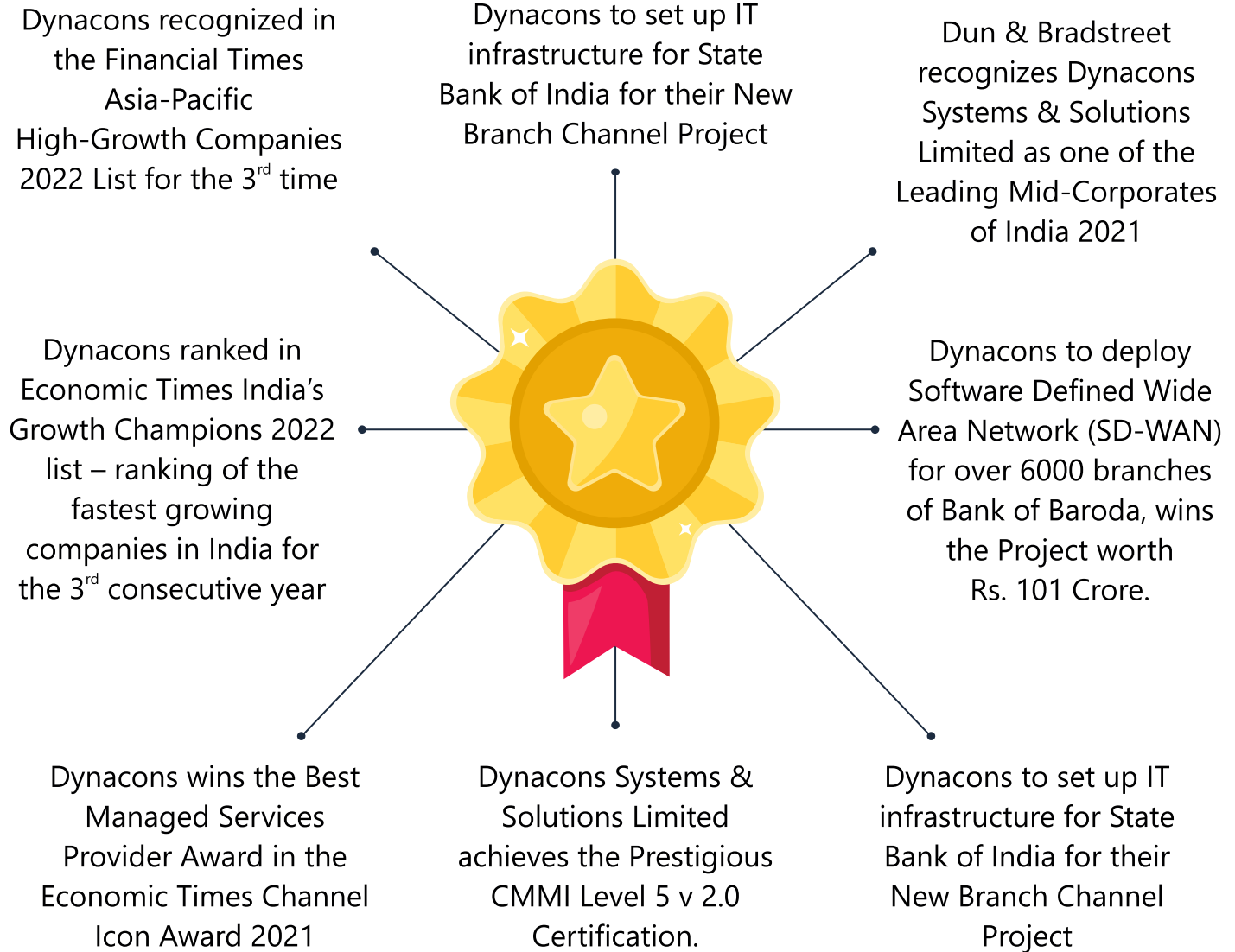
WE WORK WITH



Over 20 years of experience we'll ensure you always get the best guidance. We serve a clients at every level of their organization we can be most whether as a trusted advisor to top trusted our management coach for fronts line employees.

We strive to build a relationship of trust with every client, for the long-term. 70% of our work clients that we have served for over 10 years.

OUR RECOGNITIONS



WE ARE IN NEWS



Channel World Magazine Cover Story



CRN Magazine



D & B Publication



Economic Times Coffee Table Book

OUR AWARDS



Hall of Fame



CIO Choice
Emerging IT Services
Company



Solution Champ



Security Award



Datacenter Award



Aruba Award
for Enterprise
Business



Hyperconverged
Infrastructure
Award

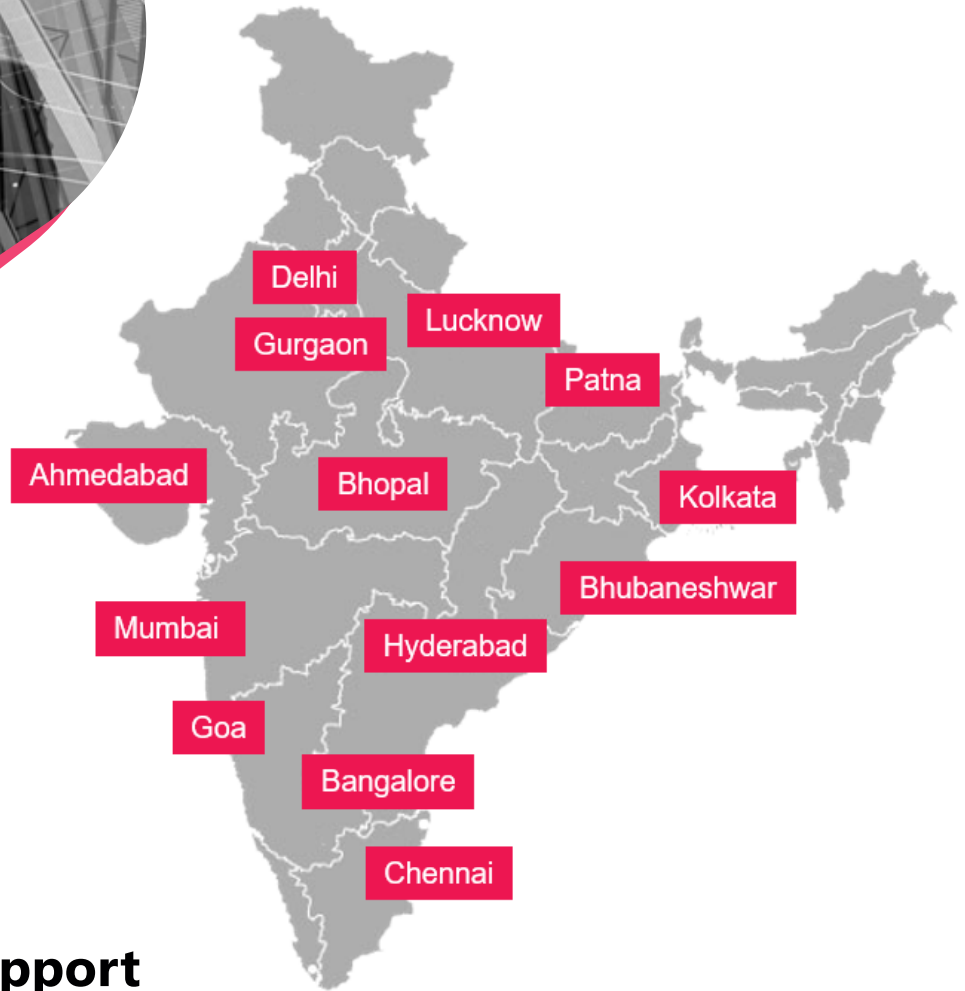


HPE Champion
Award

CSR ACTIVITIES



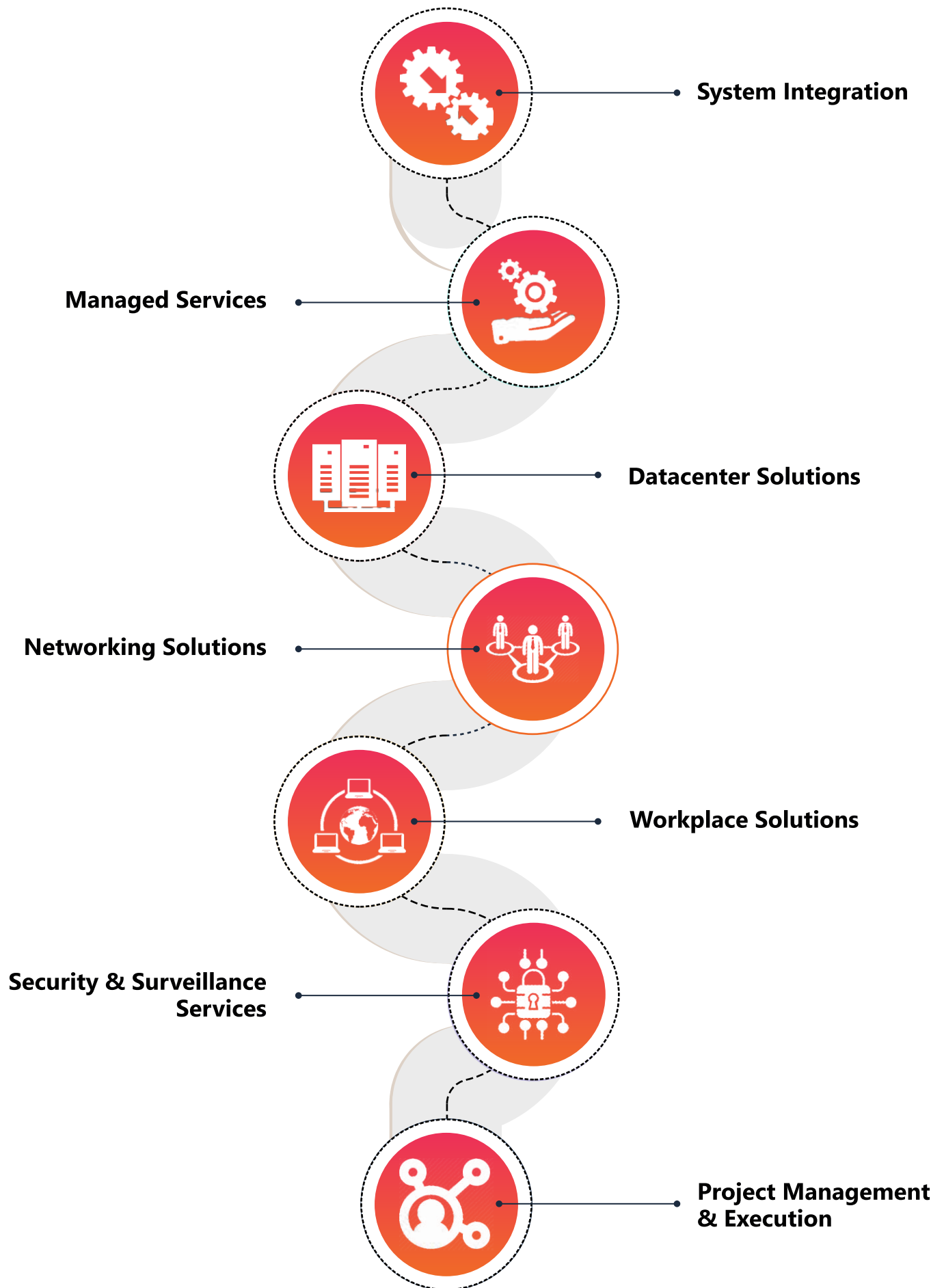
OUR OFFICES



Multi - Centre Support

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

OUR OFFERINGS



**DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION**

BOARD OF DIRECTORS

Mr. Shirish M. Anjaria
Mr. Parag J. Dalal
Mr. Dharmesh S. Anjaria
Mr. Viren Shah
Mr. Dilip Palicha
(Resigned w.e.f. April 22, 2021)
Mrs. Archana Phadke
Mr. Jitesh Jain
Mr. Vijay Doshi
(Appointed w.e.f. September 05, 2022)

Chairman cum Managing Director
Executive Director
Executive Director
Director
Director

Director
Director
Additional Director

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

CONTENTS

Notice	9
Director's Report	25
Secretarial Audit Report	45
Corporate Governance Report	56
STANDALONE FINANCIAL STATEMENTS	
Auditor's Report	87
Balance Sheet	96
Profit and Loss Account	97
Cash Flow Statement	98
Notes Forming Part of The Financial Statements	102
CONSOLIDATED FINANCIAL STATEMENTS	
Auditor's Report	141
Balance Sheet	148
Profit and Loss Account	149
Cash Flow Statement	150
Notes Forming Part of The Financial Statements	154

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 30TH, 2022 AT 03:00 P.M. INDIAN STANDARD TIME (“IST”) 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, 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, 2022, 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 2021-2022.
3. To appoint a Director in place of Mr. Parag Dalal (Din: 00409894), who retires from the office of Whole- Time director by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company

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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. MSP & Co., Chartered Accountants (Firm Registration No. 107565W), be and is hereby re-appointed 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.”

SPECIAL BUSINESS

5. 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 Rs. 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.

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.”

6. Appointment of Mr. Vijay Doshi (Din no.: 09716581) as an Independent Director:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder read with Schedule IV to the Act, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, approval of the Members of the Company be and is hereby granted to the appointed of Mr. Vijay Doshi (DINDIN: 09716581) who is above the age of seventy five (75) years, and who was appointed as an Additional Independent Director w.e.f. September 5, 2022, as an Independent Director of the Company, not liable to retire by rotation, for a term not exceeding five (5) consecutive years from September 5, 2022 to September 4, 2027;

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorized to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

7. Continuation of Directorship of Mrs. Archana Phadke (Din no.: 07138774), Non-Executive, Independent Director who will attain the age of Seventy-five (75):

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mrs. Archana Phadke (Din no.: 07138774) be 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, notwithstanding that on August 17, 2023 she attains the age of 75 years during the aforesaid tenure.”

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 05,2022

Place: Mumbai

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN No: **L72200MH1995PLC093130**

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 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/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 to 7 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. 3,6 & 7 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 22nd AGM held on September 29, 2017 the members approved 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 22ND AGM till the conclusion of the 27th AGM, will complete their present term on conclusion of this Annual General Meeting. The Board of Directors of the Company (“the Board”), has, proposed to the Members of the Company re-appointment of M/s MSP & Co., Chartered Accountants (Firm Registration No.107565W), as Auditors of the Company, for a second term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Thirty-Second Annual General Meeting to be held in the year 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, 2022 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 Saturday, the 24th day of September, 2022 to Friday, the 30th day of September, 2022. (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 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 dematerialisation, Members are advised to dematerialise 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. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

1. In compliance with the MCA Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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.
24. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
25. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

26. 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 Sunday, September 25, 2022 (9:00 a.m. IST) and ends on Thursday, September 29, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, September 23, 2022 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:


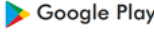


Step 1: Access to NSDL e-Voting system

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"> 1. 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. 2. 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 3. 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.

	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

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.nsd.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*****.
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.nsd.com.
 - b. **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.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 toll free no. 18001020990 and 1800224430 or send a request 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 shareholders 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 in for procuring user id and password for e-voting by providing above mentioned documents.

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 Sunday, September 25, 2022 (9:00 a.m. IST) and ends on Thursday, September 29, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, September 23, 2022 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, 2022.
- 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 Seventh AGM of the Company on September 30, 2022 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, 2022 (9:00 a.m. IST) to September 28, 2022 (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

27. 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.
28. 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.nsd.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 05, 2022

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. 4,5,6 and 7 of the accompanying Notice dated September 05, 2022.

ITEM NO. 4

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

The Members at the twenty-second Annual General Meeting ("AGM") of the Company held on September 29, 2017, had approved the appointment of M/s. MSP & Co., Chartered Accountants (Firm Registration No.: 107565W), as Statutory Auditors of the Company, to hold office till the conclusion of the twenty-seventh AGM.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on September 05, 2022, proposed the re-appointment of M/s. MSP & Co., Chartered Accountants (Firm Registration No.: 107565W), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of twenty-seventh AGM till the conclusion of thirty-second AGM of the Company to be held in the year 2027. M/s. MSP & Co., have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The proposed remuneration to be paid to Auditors for the Financial Year 2022-23 is Rs. 10,00,000 p.a. (Rupees Ten Lakhs Only). The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

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.

ITEM NO. 5

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 05, 2022, the Board considered and approved the appointment of M/s. Sarvottam Rege & Associates, Cost Accountants (Firm Registration No. 104190) as the Cost Auditor for the fiscal year 2022-23.

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 Rs. 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 2022-23.

Accordingly, the consent of the members is sought to ratify the remuneration payable to the Cost Auditor for the Financial Year 2022-23.

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. 5 of the Notice.

ITEM NO. 6

Pursuant to the provisions of Section 149 of Companies Act, 2013 (The Act), which came into effect from April 1, 2014, the Independent Directors are not liable to retire by rotation.

The Board of Directors approved the appointment of Mr. Vijay Doshi as an Additional Director, designated as an Independent Director of the Company, with effect from September 05, 2022, pursuant to the provisions of Section 149, 152 and 161(1) of the Act read with the Articles of Association of the Company. In accordance with the provisions of Section 149 read with Schedule IV to the Act and applicable provisions of the Listing Regulations, appointment of Independent Directors requires approval of members of the Company.

Mr. Vijay Doshi, has attained the age of 76 years and hence continuation of his term as Non-Executive, Independent Director requires the approval of members by way of a special resolution. Regulation 17(1A) of SEBI(LODR) Regulations, 2015, inter alia, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Mr. Vijay Doshi is qualified to be appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Vijay Doshi that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Listing Regulations. The Company has also received notice under Section 160 of the Act from a shareholder proposing the candidature of Mr. Vijay Doshi for the office of a Director of the Company.

In the opinion of the Board, Mr. Vijay Doshi fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Vijay Doshi is independent of the management and possesses appropriate skills, experience and knowledge. Mr. Vijay Doshi has a rich Industry experience of 28 years. Mr. Doshi has completed B. E. (Mech) from Bangalore University, and Course of Executive Development Program in Finance Management from Jamnalal Bajaj Institute, Mumbai and is also Member Institute of Engineers (MIE).

In view of these, appointment of Mr. Vijay Doshi as an Independent Director is in the interest of the Company. Details of Mr. Vijay Doshi, pursuant to the provisions of (i) the Listing Regulations; and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to the Notice. He shall be paid sitting fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

The Board recommends the resolution at item No. 6 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 6 of the Notice except Mr. Vijay Doshi.

ITEM NO. 7

Mrs. Archana Phadke, aged 74, is the Non-Executive Independent Director of the Company. The Members at the 25th Annual General Meeting held on 30th September, 2020 re-appointed Mrs. Archana Phadke as a Non Executive Independent Director for a Second Term of Five Consecutive Years w.e.f 30th September, 2020. Further in accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Mrs. Archana Phadke will attain the age of 75 years in August, 2023, and the continuation of her Directorship will be subject to approval by the shareholder by special resolution. Hence the approval of the shareholders is sought for the continuation of her Directorship on the Board of the Company even after attaining the age of 75 years.

In view of the Board Mrs. Archana Phadke possesses appropriate skills, experience and knowledge to continue here directorship beyond the age of 75 years and her vast industry exposure is an asset to the Company.

A brief profile of Mrs. Archana Phadke nature of her expertise in specific functional areas and names of companies in which

she holds Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

The Board recommends the resolution at item No. 7 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 7 of the Notice except Mrs. Archana Phadke

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. Parag Dalal	Mr. Vijay Doshi	Mrs. Archana Phadke
Director Identification Number (DIN)	00445009	09716581	07138774
Date of Birth	23/05/1968	11/11/1946	17/08/1948
Date of First Appointment on the Board	26/09/1995	05/09/2022	27/03/2015
Experience in functional Area	Mr. Parag J. Dalal has over 26 years of work experience, in the field of Business, Information Technology, Software Development and Services. His areas of focus include Business Strategy, Business Development, Business Continuity Management and emerging technologies like Cloud Computing. He is responsible for the growth of Dynacons on PAN India level across different industries segments including Shipping, Education, Government, Banking and Financial Services. He is also responsible for taking new initiatives such as Transformation through IT and bringing in operational efficiency through the usage of ICT.	Working in the field of Information Technology since past 28 years i.e. Knowledge Management Consulting and Training for Computer in Large Enterprises, Consulting for AutoCAD and Engineering, Creation of Engineering drawings and 3 Dimensional models on CAD.	Over 42 years of experience in the areas of Business Administration, Operations and Corporate Affairs
Qualification	Post graduate in Computer Applications and is an Intel Certified Solutions Consultant.	B. E. (Mech), Member Institute of Engineers (MIE), Course of Executive development Program in Finance Management (Jamnalal. Bajaj Institute, Mumbai)	Commerce Graduate
Directorship in other Companies (Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2021-22	Please refer Corporate Governance Report section of the Annual Report 2021-22	Please refer Corporate Governance Report section of the Annual Report 2021-22
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. 2021-22			
Remuneration Proposed	Upto Rs. 15,00,000/- per month	N.A.	N.A.
Remuneration Paid	Rs. 6,00,000/- per month	N.A.	N.A.
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.

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 05, 2022

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 Seventh** Annual Report on the business and operations of the Company for the year ended March 31, 2022.

1. Financial Highlights

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2022	Year ended 31/03/2021	Year ended 31/03/2022	Year ended 31/03/2021
Gross Income	65,584	43,781	65,584	43,725
Profit Before Finance Cost and Depreciation and Amortisation Expenses	3,234	2,041	3,231	1,977
Provision for Depreciation and Amortisation Expenses	136	126	136	126
Profit Before Finance Cost	3,099	1,915	3,095	1,851
Finance Cost	893	706	893	706
Net Profit Before Tax	2,205	1,209	2,202	1,145
Provision for Tax	559	287	559	292
Net Profit After Tax	1,646	922	1,643	854
Balance of Profit brought forward	3,077	2,200	3,083	2,275
Balance available for appropriation	4,672	3,077	4,675	3,083

2. Management Analysis and Discussions

Company performance:

The past couple of years have been a period of intense action and reflection. They have changed the world, our business and our lives. Organizations across the world were forced to dramatically and rapidly change how they operate. To change how and where they worked, connected and served their customers and stakeholders.

In the face of widespread change, your company has shown remarkable resilience and adaptability, coming out stronger than ever. We responded with alacrity and demonstrated exceptional resilience in dealing with an unprecedented calamity. Even as the world experienced chaos and disruption, we delivered our highest annual growth. This growth is the source of our energy and vibrancy,

Beyond the headline numbers, we are pleased with the holistic nature of the growth, broad-based across all our industry verticals and major markets, and with a steadily expanding number of digital transformation projects in the portfolio.

Our Standalone revenues of Rs. 65,584 Lakhs as compared with Rs. 43,781 Lakhs during the previous year. The profit before tax stood at Rs. 2205 Lakhs as compared to Rs. 1,209 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 559 Lakhs and the profit after tax stood at Rs.1646 Lakhs for the current year, an increase of 78% over the previous year. On a consolidated basis, the revenue from operations for FY 2022 at Rs. 65,584 lakhs was higher by 50% over the previous year (Rs. 43,725 Lakhs in FY21). The profit before tax stood at Rs. 2202 Lakhs as compared to Rs. 1,145 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs.559 Lakhs and the profit after tax stood at Rs.1643 Lakhs for the current year, an increase of 92% over the previous year.

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. 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.

Industry Overview

India's technology Industry is expected to record a positive growth in FY 2022. The IT services market is expected to register significant growth. Globally, the increased IT spending, coupled with the widespread adoption of software-as-a-service and increased cloud-based offerings, indicates the demand for IT services in the industry. We have seen a global pandemic, geopolitical tensions, supply chain disruptions, the rise of cryptocurrency and many other public and private upheavals. As the dust settles, and a clearer picture of the world ahead emerges, there is belief that we are standing at the threshold of a period of great opportunity and growth. The change in technology consumption reflects the prevailing trends in the economy. Recent events have accelerated digital adoption, put the spotlight on supply chain resilience and added urgency to the sustainability imperative. Each of these represents an opportunity that can contribute towards the growth of not just your company, but of the ecosystem as a whole.

The pandemic has shown us that enterprise spending on technology is far more resilient than most people credit it for. It is central to organizations' ability to innovate and differentiate in good times, and to survive and adapt in tough times. While evolving market dynamics may prompt reprioritizing of programs, we are confident that technology spending itself will continue to grow.

During the previous year, we witnessed an acceleration in the adoption of digital technologies as businesses attempted to reimagine their cost structures, increase business resilience and agility, personalize experiences for their customers and employees, and launch new and disruptive products and services. Enterprises also sought technology to adapt and thrive in today's new world. To create competitive advantage and reinvent the future of working, learning and transacting. To add resiliency to their operations and strengthen and secure infrastructure platforms and endpoints.

Today the world is simultaneously seeing three major transitions – the pandemic-induced model for hybrid work which requires new ways to collaborate, orchestrate and deliver, the technology transformation driven by cloud, and the digital acceleration of business models that are changing the way we live and work.

Business Overview

Organisations today are faced with transformative business opportunities due to advances in software and computing technology. These organizations are dealing with the challenge of having to reinvent their core offerings, processes and systems rapidly and position themselves as 'digitally enabled'.

Our ability to deliver outcomes for our customers led to record financial performance. In the previous year, the teams delivered Rs 65,584 lakhs in Net sales with excellent profitability. Margins improved and our 50% increase in sales translated to a 78% increase in Net Profits. It has been a highly satisfactory year of consistently strong, profitable growth. Our business performance in the year gone by is also a reflection of that innate resilience and adaptability. One reason for the out performance is market share gains on account of superior capabilities, and higher customer satisfaction. The second reason has been greater participation in our customers' growth and transformation initiatives, which represent the expanding part of their technology spending. Our responsiveness, agility and adaptability to change have been the key to our success.

The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure. 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; HyperConverged 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.

Dynacons provides end-to-end technology and technology related services to corporations across industry verticals. The Company 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 has deep domain knowledge across industry sectors and technology expertise across traditional and new age technologies. The company leverages all

these and its deep contextual knowledge of its customers' businesses to craft unique, high quality, high impact solutions designed to deliver differentiated business outcomes.

The name of our company defines everything we do at Dynacons; it's about being dynamic. Our growth trajectory which is driven by our 3C approach – Concept, Capability & Culture is dynamic at its very core. Our rich portfolio of service offerings span across the IT infrastructure lifecycle of Plan-Build-Run-Monitor. Ever evolving and value-creating concept, expanding capabilities and constant improvisation for a healthy company culture are the cornerstones of everything we do at Dynacons. We continually look for new areas in the customer's business where we can add value, proactively invest in building innovative capabilities, and launch new offerings to participate in those opportunities. The objective is to boost the top line, embrace new technology-enabled business models, create new revenue streams, address new customer segments, and deepen existing customer relationships.

The supply chain upheavals during the past couple of years are driving a shift towards rebalancing and resilience. As companies seek real-time data to transform their supply chains, AI and predictive analytics help capture insights and react to changing conditions. Your company is helping companies reconfigure their supply chains to ensure that they can serve their customers and stakeholders on time.

The future of the technology industry is being shaped by the following trends:

- An accelerating demand for IT services with digital becoming mainstream and new growth pockets e.g., cloud, AI, cybersecurity, IoT and immersive technologies
- A significant increase in enterprise spending on hybrid, multicloud-led transformation
- A continuous focus on IT security

Digital transformation is now an integral part of the functioning of enterprises, governments and societies. The fast pace of technology change and the need for technology professionals who are highly skilled in both traditional and digital technology are driving businesses to rely on third parties to realize their business transformation. Your company continues to play a critical role in this transformation, helping clients embrace new technologies, initially to cope with the crisis, and since then, to innovate at scale and grow their businesses.

Technology has fundamentally changed the way we approach life and work. We created virtual work arrangements that enable inclusive and flexible work and allow collaboration. The digital transformation happening across industries, accelerated by the pandemic, also meant that we needed to strengthen our own offerings, along with deepening our understanding of the latest technology trends. The future – full of uncertainties – is not something that any of us can claim to predict. At the same time, digital acceleration is creating tremendous new opportunities for differentiation and gaining market leadership.

Your Company has won one of the prestigious contract for Development & Management of GMDMA Website, Disaster Management App and Command & Control System along with Comprehensive Maintenance of Automatic Weather Stations, Flow Level Sensor from Municipal Corporation of Greater Mumbai. Dynacons has also won contract from the largest Public Sector Bank, State Bank of India, to provide IT Infrastructure to enable the new age architecture for their NBC project. In this New Branch Channel (NBC) project, SBI is shifting to the new age three tier architecture: Web – Application – Database. Dynacons would enable this new architecture by providing necessary IT Infrastructure to be supplied & installed at their Data Centre at Navi Mumbai and Disaster Recovery site at Hyderabad.

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.

Accelerated adoption of the cloud is opening up all kinds of possibilities in product and business model innovation. Enterprises are seeking technology-led solutions to help realize their sustainability goals. The cloud is enabling boundary less collaboration across industries, enabling innovative new offerings. Technology is at the heart of all this innovation, and clients are increasingly partnering with your company to drive innovation.

The cloud adoption trends strengthened further, with more clients embarking on multi-horizon cloud transformation journeys. However, the mindsets have changed. During the year, enterprises moved from thinking of technology-led innovation as a way of coping with pandemic challenges, to looking at it as a means of powering their growth and transformation, especially in the case of clients who had already moved their most critical workloads to the cloud.

More companies, are now seeing the benefits of cloud when it comes to catalyzing digital transformation – because of its ability to increase development and processing speed while providing near-limitless scale. While several organizations have successfully adopted a cloud-first strategy to build new digital capabilities and transform their businesses, the journey to the cloud can be challenging for some. Our teams are helping customers embrace the as part of a holistic strategy to modernize the technology landscape and drive new business and operating models. The focus needs to be on end-to-end transformation of business capabilities through the standardization and automation of the technology environment.

The other big demand driver was outsourcing of business and IT operations. There were three key reasons why enterprises outsourced more: the need to free up people as well as financial resources to execute their growth and transformation initiatives; talent scarcity especially in digital technologies; and the desire for leaner and more resilient IT and business operations.

Dynacons offers Infrastructure Management Services (IMS), managing the mission- critical IT environments for some of the largest and most forward-looking organizations Dynacons' Enterprise Services offerings include a wide spectrum of Enterprise IT and Office Automation Services including Infrastructure Managed Services, Break fix 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.

Our IT infrastructure management services offer the experience, talent, and tools required to help you create, run, and manage next-generation IT infrastructure. Our IT infrastructure management services have impressive credentials. We have not only executed complex IT transformation projects and have also helped run efficient IT infrastructure services for enterprise customers. We have also have a proven track record of successful, high-complexity delivery, customer satisfaction, and innovative IT solutions. Dynacons' IMS offerings caters to enterprises spread across a broad spectrum of industries. We are building capabilities in Automation and AI which will help us improve our service delivery – a strength our client's value and leverage to make them more efficient.

With an improved IT infrastructure, threats related to data (data breaches) are also on the rise. This demands advanced security solutions over traditional ones. With this trend gaining traction in the market, companies have started to invest their resources in enhancing their advanced security offerings. We assess our customers' security needs and provide them with tools and services to help effectively manage risk. We are a security solutions integrator that combines our expertise in design, solution architecture and implementation services. Our customer solutions can take the form of hardware, software or Software as a Service across a multitude of categories such as: endpoint security, email security, web security, intrusion prevention, authentication, firewall, virtual private network services and network access control. Security consulting engagements include security assessment, policy and procedure gap analysis, security roadmaps and health checks. Your Company has won the order worth Rs. 57.04 crores from Punjab National Bank for IT Security Solutions related to Endpoints Bank has implemented Enterprise Data Ware House Project to provide better access to information, to foster better and more informed decision-making, besides providing statutory reporting and MIS for the Bank. The Solution includes onsite deployment of highly skilled Resources at Data Centre / DR and their PAN India branches.

SD-WAN is a transformative technology that simplifies the IT infrastructure control and management by delivering a virtual WAN architecture that securely connects users to their applications. The advantages of SD-WAN are simplified branch office connectivity, increased reliability, optimized application performance, and increased network agility. SD-WAN lowers total costs, by providing more resource usage and a more automated branch and WAN architecture that is required to fulfill modern IT business initiatives. This solution will help the bank to reduce overhead costs & increase the WAN performance.

Dynacons Systems & Solutions Ltd has won one of the largest order from Bank of Baroda for set-up of Software Defined Wide Area Network (SD-WAN) for 6000 branches with order value worth Rs. 101 crores. Bank of Baroda is one of the

largest Public Sector Bank (PSU) in India with a branch network of over 8500+ branches/offices in India and 100+ branches/offices overseas. The offered SD-WAN Solution includes Data Centre and Disaster Recovery Central Appliance with High Availability, DC/DR SD-WAN Central Software with Advance SD-WAN & Advance Security Feature for 10000 branches support, Branch SD-WAN Appliances with advance security features. It also includes supply, installation, implementation & support with onsite deployment of technical Experts at DC, DR, NDR & branches across PAN India. The contract period is initially for Five (5) years.

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.

Throughout the year, these three trends – increased spend on digital transformation, cloud adoption and outsourcing – drove a strong flow of projects for your company. We help our customers navigate their digital transformation journeys through our suite of services and solutions. We have embraced a four-pronged strategy to strengthen our relevance with clients and drive accelerated value creation: Scale Digital and be agile, Reskill our people, enhance our portfolio of offerings, and energise the Core IT Infrastructure. The company's strong service orientation, willingness to invest in the relationship, commitment to deliver impactful outcomes and track record of execution excellence have resulted in consistently high customer satisfaction levels and long, enduring customer relationships. The relationship translates into a very high level of repeat business that lends greater visibility and predictability to the business model.

Our managed IT workplace services ensure right-sized infrastructure and support. This improves the monitoring of the next generation workplace environment and reduces incident and problem tickets. Workforces have been beset with multiple recent shifts and challenges, redefining how people interact and how work gets done. In the name of improving efficiency, more and more companies are also harnessing AI technologies and RPA, both to streamline tasks and augment capabilities. There is an increased focus on creating more support and development opportunities for employees, including reskilling key portions of their workforces. With so many employees working from home due to the pandemic, the challenges of data security and privacy have become even more pronounced. Remote work also introduces challenges in terms of increased IT workloads, potential lost productivity, and a lack of camaraderie with colleagues.

Our Workplace Solutions cover the entire lifecycle including 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 and desktop as a service and operating system migration. Our solutions comprising workplace technologies aim at enhancing user satisfaction, freedom, and productivity while optimizing the ROI in workplace technologies. End users can consequently look forward to increased automation and collaboration by adopting workplace technology services. We have actively worked with and helped many large Enterprises with a complete bouquet of Workplace solutions to help them have a smooth work from home experience. The Company has won several contracts with large BFSI and Global enterprises such as Life Insurance Corporation, Facebook, Standard and Poor, Uber, Coinbase etc for their workplace requirements.

The Company's strong service orientation, willingness to invest in the relationship, commitment to deliver impactful outcomes and record of accomplishment of execution excellence have resulted in consistently high customer satisfaction levels and long, enduring customer relationships. The resultant expansion in relationship capital translates into an extremely high level of repeat business that lends greater visibility and predictability to the business model.

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.

We are happy to announce that Dynacons Systems & Solutions Ltd has 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 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 had occupied 323rd position in the Financial Times list of High Growth Companies Asia Pacific released by Financial Times of United Kingdom in partnership with Nikkei Asia. Dynacons has been ranked in the list of High Growth Companies Asia Pacific 2021 by The Financial Times alongside major technology players for its strong, organic and sustainable growth. This is an initiative by Financial Times (UK) and Nikkei Asia to applaud and recognize enterprises that are the accelerators of the given economy and contribute heavily to the economic growth despite the adverse economic conditions. According to Financial Times, the ranking is created through a complex procedure aided by thorough research, calculation, and evaluation of revenue data.

During the year the Company was successfully appraised at Capability Maturity Model Integration (CMMI)- Level 5 v 2.0. CMMI is a process improvement and assessment framework which comprises of a collection of best practices designed to promote improved performance in any organization and is considered a global standard for efficiency. CMMI Maturity Level 5 is the highest level of process maturity that independently verifies an organization's capabilities to continuously enhance its processes through incremental and innovative process and technological improvements. This appraisal demonstrates Dynacons' strong commitment toward delivery excellence, process maturity and service quality, ensuring an experience of certainty for its customers; and will serve as a significant contributor to our success in its business sustainability journey.

Dynacons has been recognised as the "Best Managed Services Provider" in the 2021 edition of The Economic Times Channel Icon Summit and Awards. The Economic Times Channel Icon Award 2021 is an Industry benchmark for excellence in the Indian IT Market. The Economic Times Channel Icon Award 2021 recognized the innovative businesses that innovatively overcome the tough times.

Your Company has been recognized as a part of "Leading Mid-Corporates of India 2021" by Dun & Bradstreet. This is an initiative by Dun & Bradstreet for recognizing the leading Mid-Corporates in India. The theme of Business Enterprises of Tomorrow 2021 was 'Celebrating the Spirit of Entrepreneurship'.

Strengths

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. 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. Our Service Delivery Model divides projects into components that can be executed simultaneously at client sites and at our offices in India. Our processes are based on the IT Infrastructure Library (ITIL®) service management framework with a focus on continuous service improvement and customer satisfaction.

Your Company has developed and refined its Service Delivery Model to ensure a consistent and controlled service process. 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 have nurtured premier ecosystem alliances with enterprise software companies, cloud providers and innovative startup 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.

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. This helps Dynacons achieve its business goals. 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.

The Company offers end-to-end service offering capabilities in consulting, software application development, integration, maintenance, validation, enterprise system implementation, infrastructure management and business process management. 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 sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management by successfully completing annual re-certification/surveillance audits for various industry standards and models.

The Company has been appraised at Maturity Level 5 of the Capability Maturity Model Integration for Development. The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. 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.

Recognizing that workforce competency is a powerful growth engine, competency mapping and development was completed for the workforce with appropriate interventions through a learning and development plan.

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. We continue to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and business continuity management.

Your Company continues to strive towards process improvement for ensuring high quality delivery and high levels of customer satisfaction. Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market. Your Company has an enduring focus on operational and delivery excellence and towards sustainable growth on the path of business Excellence. Sustained commitment to highest levels of quality, best-in-class service management, robust information security practices and mature business continuity processes helped the Company attain significant milestones during the year.

Outlook

We are entering the new fiscal year with strong growth momentum and with much better visibility for future growth than we did last year, powered by a strong order book built up throughout the year and a robust deal pipeline. We are focusing on two things.

Firstly, we will continue to work towards offering a more balanced portfolio, with a much larger proportion of business transformation revenues, so we have two equally strong growth engines for the journey ahead. For this, we want to build a structured way to deepen existing innovation and transformation engagements, while expanding the number of clients for whom we provide such services.

Second, as we get larger, we shouldn't lose sight of what has brought us thus far – our customer centricity. Our success stems from the fact that year after year, our clients reward us with more work, and rank us higher in customer satisfaction across all the service providers they work with. Our approach of putting the client at the center of everything we do, making them feel special, and investing in newer capabilities to create value in newer areas of their businesses, has paid us rich dividends. Regardless of how large we get, we want to make sure that our customer focus never wavers, and every client continues to feel just as valued.

Delivery model innovations such as its AI-powered Machine First approach, and platform-driven, outcome-based business models are helping clients reimagine their operations. Demand for cloud-driven as-a-service offerings is growing rapidly, as well: One recent forecast estimates that global as-a-service revenue grow rapidly over the next few years, with further growth powered by emerging business models such as content-as-a-service, artificial intelligence-as-a-service, and Internet of Things-as-a-service

We are participating very well in this expanding opportunity, getting embedded deeper in our customers' business ecosystems, and becoming an industry staple. This is resulting in better visibility, predictability, and business sustainability, all of which create ever more value for our stakeholders in the longer term. Our belief conveys our optimistic outlook and reflects our limitless potential to create better futures. All of these are helping the company drive holistic growth and create immense value for its stakeholders.

We work with large enterprises to simplify their technology landscape and strengthen their core by building a cloud-based digital foundation and embedding intelligent automation into their operations so they can focus on building memorable experiences for their customers.

As we look ahead to the future, we go back to a key pillar of our strategy – customer centricity. Our organization structure, our investments in new capabilities and intellectual property, our delivery models and contracting structures have all been shaped by our clients' needs.

Our all-time high order book, continued deal flow and pipeline velocity give us confidence in the sustainability of our business momentum. We are in the midst of a multi-year technology upgrade cycle that provides strong, structural growth drivers for the next few years.

Opportunities and threats

Opportunities:

Since every business is becoming software defined and technology led business models are emerging in every vertical, the technology investment is more than ever business outcome aligned and would be sustained through economic cycles. Government and the BFSI sectors are expected to lead the way and be huge buyers and these are the focus sectors for your Company.

Our clients and prospective clients are faced with transformative business opportunities due to advances in software and computing technology. These organizations are dealing with the challenge of having to reinvent their core offerings, processes and systems rapidly and position themselves as 'digitally enabled'. The journey to the digital future requires not just an understanding of new technologies and new ways of working, but a deep appreciation of existing technology landscapes, business processes and practices. Our strategy is to be a navigator for our clients as they ideate, plan and execute their journey to a digital future.

With the explosion of Internet of Things (IoT) devices, combined with the increased portability of computing power and AI-driven tools, the time is right for edge computing to experience significant growth. As a result, IDC predicts that in three years, 45 percent of IoT-generated data will be stored, processed, analyzed, and acted upon close to or at the edge of networks. This will largely be driven by IoT applications across industries like manufacturing, retail, healthcare, energy, financial services, logistics, and agriculture.

We continued our efforts this year on harnessing the power of artificial intelligence (AI) and automation, IoT platforms, and robotics. These technologies will redefine the IT landscape and the business models of enterprises in the times to come. This will create a lot of value for customers and drive revenues. The Work from home requirement will need Enterprise to scale up their investment in their IT Infrastructure, collaboration solutions and workplace services. Our strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future. By staying true to its mission and its values, and by continually investing in building newer capabilities, your Company is positioned well to become the partner of choice to enterprises in their growth and transformation journeys. The journey to the digital future requires not just an understanding of new technologies and new ways of working, but a deep appreciation of existing technology landscapes, business processes and practices.

The most significant learning has been to be proactive, to be agile and to be flexible. The pandemic may have wiped our strategy slate clean. Still, it has also helped us learn invaluable lessons and use those lessons to reconfigure our business and operating models for a new reality. We are staying close to customers during these difficult times, helping them develop and implement strategies that enhance their organizational resilience and adaptability, pivot into new business models, or launch new offerings and thrive.

Threats:

Competition is the main threat to most tech outfits, considering the relentless product cycles, the typically rapid move towards commoditization in the sector and also changes in technology and markets, changes in government policy or regulations/legislation etc. also brings challenges and treats to the smooth functioning of the Company. In the IT industry, the ability to execute projects, build and maintain client partnerships and to achieve forecasted operating and financial results are significantly influenced by the organization's success in hiring, training and retaining highly skilled IT professionals. The competition from large international and Indian IT companies is increasing in the domestic market space.

We experience intense competition in traditional services and see a rapidly-changing marketplace with new competitors in niche technology areas who are focused on agility, flexibility and innovation. We typically compete with other large, global technology service providers in response to requests for proposals. The market for technology products and services is highly competitive and subject to economic conditions and rapid technological changes.

Risks and Concerns

The competition from large international and Indian IT companies is increasing in the domestic market space. The COVID-19 pandemic continues to challenge businesses in every possible way and has amplified existing risks. Operating in an uncertain and ever-changing environment, our operations bring in considerable complexities however our risk management strategies aid in ensuring the objectives are achieved. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the business units, the functions, the customer relationships and projects.

The COVID-19 pandemic is a global humanitarian and health crisis. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The pandemic has impacted, and may further impact, all of our stakeholders – employees, clients, investors and communities we operate in.

Company's objectives and expectations may be forward looking within the meaning of applicable laws and regulations. The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, among others. The Company has Enterprise Risk Management Framework, which involves risk identification, risk assessment and risk mitigation planning for the Company. Company's objectives and expectations may be forward looking within the meaning of applicable laws and regulations. Technology investments by corporates have

shown strong correlations with GDP growth. Uncertainties in economic outlook in these markets can impact technology spend, and thereby constrain the Company's growth potential.

Your Company has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their business needs. The Company strategy is not dependent on any single technology or platform. Your Company operates in an ever evolving and dynamic technology environment. Therefore, it becomes important for the Company to continuously review and upgrade its technology, resources and processes to mitigate technology obsolescence. Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. This is resulting in increased demands on the Company's agility to keep pace with the changing customer expectations. Spending on technology products and services by our clients and prospective clients is subject to fluctuations depending on many factors, including both the economic and regulatory environment in the markets in which they operate.

The focus is on deploying a robust training strategy to cater to the development needs of employees across leadership levels. This includes professional, functional, technical and leadership development learning solutions. One of the key areas of focus is talent availability and readiness of our leadership to lead and execute the organizational strategy. The presence and demonstration of required competencies and skills across levels continues to play a key role in defining the success trajectory of the organization. It's the right and able people who bring the business strategy to life, a reality that your Company has taken note of.

Internal Financial control systems and their adequacy

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. The Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. 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.

The Company has the robust Management Information System, which is an integral part of the control mechanism. It has continued its efforts to align all its processes and controls with best practices in the group and industry.

Your Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company has made the employees responsible for establishing expectations and seeking feedback at every role that is assigned. The employees have been enabled to influence their network of peers to co-own goals. This has helped enable cross functional collaboration and interlock. Understanding employee engagement and views on the employment experience periodically in our view is not reflective of the needs of the workforce today.

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.

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 Clause 18 of SEBI Regulations 2015), the Company's audit committee has concluded that, as of March 31, 2022, 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	2021-2022	2020-2021
1.	Debtors Turnover (in months)	3.22 months	2.80 months
2.	Inventory Turnover (COGS/AVG Inv) in times	10.38	15.16
3.	Interest Coverage Ratio	3.62:1	2.89:1
4.	Current Ratio	1.35:1	1.40:1
5.	Debt Equity Ratio	0.91:1	0.82:1
6.	Operating Ratio Margin	0.05:1	0.05:1
7.	Net Profit Margin (%)	2.52%	2.12%

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	2021-2022	2020-2021
Debtors Turnover (in months)	3.22 months	2.80 months
Return on Networth (%)	24.26%	17.27%

The Return on net worth increased during the year 2021-22 as compared to previous year 2020-21 because of the higher net profit earned of Rs. 1646 Lakhs in 2021-22 as against net profit earned of Rs. 922 Lakhs in year 2020-21.

3. Dividend

For FY 2022, based on the Company's performance, the Directors had declared interim dividend of 5% of the Face Value of the share i.e. Rs. 0.50 per equity share amounting to Rs. 50,66,540 to be paid out of profits of the Company for the FY 2021-2022 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, 2021.

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. Rs. 0.50 per equity share amounting to Rs. 56,39,040 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.

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.

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, 2022.

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. Rs. 0.50 per equity share amounting to Rs. 56,39,040 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.

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 Rs. 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, 2022. 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. Parag Dalal, Whole-Time 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.

Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

At the 26th Annual General Meeting held on 30th September, 2021 Mr. Jitesh Jain (DIN: 00282797) Non-Executive Independent Director was re-appointed for Second Term of Five Consecutive Years w.e.f 30th September, 2021.

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. Vijay Doshi was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 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 27th 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 2021-2022. 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 22nd AGM held on September 29, 2017 the members approved 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 22nd AGM till the conclusion of the 27th AGM. They will complete their present term on conclusion of this Annual General Meeting. The Board of Directors of the Company ("the Board"), has, proposed to the Members of the Company re-appointment of M/s. MSP & Co., Chartered Accountants (Firm Registration No.107565W), as Auditors of the Company, for a second term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Thirty-Second Annual General Meeting to be held in the year 2027.

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 2021-22 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, 2022 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's HR strategy is focused on attracting the best talent, reskilling and transforming the workforce and providing a stimulating workplace, which is flexible, nurtures social contract, fosters innovation, and builds a result-oriented, high performance culture. The ability to attract, motivate, develop and retain talent is critical to our continued success. The progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential

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. 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.

We focus on promoting a collaborative, transparent and participative organization culture, and rewarding individual contribution and innovation. Empowered individuals take ownership of outcomes, beyond just the completion of an assigned task. Empowered, purpose-driven teams can cope even with unexpected events because they know exactly what they need to do, even when no explicit instructions are provided. Such concerted, autonomous behaviors, in aggregate, give the organization the ability to cope with sudden shocks, and impart organizational resilience.

Our employees have shown remarkable resilience, loyalty and tenacity in ensuring that our customers are not impacted, despite significant personal challenges. We believe in investing in our people and giving them opportunities to realize their full potential. We believe in decentralized decision-making, in empowering leaders on the front lines, and in providing them all the support they need in their journeys. Our commitment to people, investing in them and empowering them to realize their potential, along with closer employee engagement, have helped us in talent retention.

The number of people employed during the year ended on March 31, 2022 were 969

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. 2021-2022. 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. 2021-2022 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, 2022 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, 2021 was Rs. 10,13,30,800 divided into 1,01,33,080 Equity shares of Rs. 10 each which has increased to Rs. 11,27,80,800 divided into 1,12,78,080 Equity shares of Rs. 10 each as on March 31, 2022, since the Company had converted 11,45,000 warrants into Equity shares issued on preferential basis for Rs. 28 each (including a premium of Rs. 18 each) on March 31, 2022.

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 Rs. 10 each to be allotted under Dynacons – Employee Stock Option Plan 2020.
- d. Preferential issue: The Board had converted 11,45,000 warrants into Equity shares on October 04, 2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same.

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, 2022 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 Rs. 35.00 Crores. Acuite has also assigned Acuite A3+ rating for the short term bank facilities of the Company up to Rs. 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, 2022 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	: Rs. 2750.72 Lakhs (previous year ₹ 1187.66 Lakhs)
Foreign Exchange Outgo	: Rs. 757.41 Lakhs (previous year ₹ 1037.25 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, Mr. Viren Shah and Mrs. Archana Phadke.

***Note-** Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mr. Vijay Doshi, was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 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 2021-22 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: <http://dynacons.com/investors/>

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 <http://dynacons.com/investors/Policy%20on%20Related%20Party%20Transactions.pdf>

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.

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.

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the Dynacons family.

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 05, 2022

Place: Mumbai

Annexure I to the Directors' Reports

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]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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, 2022, 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, 2022** 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 1 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:

Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

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 Rs. 0.50/- per share for the year ended 31st March, 2021 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 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. 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 Rs. 10 each to be allotted under Dynacons – Employee Stock Option Plan 2020.

Further, the Nomination and Remuneration Committee in its meeting held on August 10, 2022, have approved grant of 33,500 stock options under 'Dynacons - Employees Stock Option Plan 2020.

3. During the year under review, the Board converted 11,45,000 warrants into Equity shares on October 04, 2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same.
4. 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.

5. The Company has obtained Shareholders approval in the 26th AGM:
- i. For Alteration of Memorandum of Association of the Company
 - ii. For increase in borrowing power of the Company under section 180(1)(c) of the Companies Act, 2013 for an amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores Only)
 - iii. For re-appointment of Mr. Jitesh Jain (DIN:00282797) as an Independent Director for a Second Term of Five (5) consecutive years w.e.f 30th September, 2021.
6. The Company has obtained Shareholder's approval through postal Ballot dated April 22, 2022;
- i. For Re-appointment of Mr. Shirish Anjaria (DIN: 00444104), Chairman cum Managing Director for a further period of 3 years with effect from February 01, 2022.
 - ii. For Re-appointment of Mr. Parag Dalal (DIN: 00409894), Whole time Director for a further period of 3 years with effect from February 01, 2022.
 - iii. For Re-appointment of Mr. Dharmesh Anjaria (DIN: 00445009), Whole Time Director & CFO for a further period of 3 years with effect from February 01, 2022.
7. The Company has maintained cost records for the Financial Year 2021-22 as prescribed by Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Further, M/s. Sarvottam Rege & Associates (Firm Registration no. 104190) is appointed as Cost Auditors for the Financial Year 2022-23.

**For HSPN & ASSOCIATES LLP
Company Secretaries**

**Date: September 05, 2022
Place: Mumbai
ICSI UDIN: F002827D000917961
PEER REVIEW NO:2507/2022**

**Hemant S. 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 05, 2022
Place: Mumbai
ICSI UDIN: F002827D000917961
PEER REVIEW NO:2507/2022**

**Hemant S. 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, 2022, 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, 2022.

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	36.42
Parag Dalal	33.39
Dharmesh Anjaria	33.39

- (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	80
Parag Dalal	83
Dharmesh Anjaria	83

- (c) **The percentage increase in the median remuneration of employees in the financial year: 10%**

Note: Percentage in bracket represents negative percentage.

- (d) **The number of permanent employees on the rolls of company: 969**
- (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 2020-21 was (1.32%). 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**

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 05, 2022
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	6699
6.	Total assets	17013
7.	Total Liabilities	2636
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(3877)
11.	Provision for taxation	-
12.	Profit after taxation	(3877)
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 05, 2022

Place: Mumbai

Annexure-V**REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22**

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: Rs.845.18 Lakhs/-
6. Prescribed CSR Expenditure (two per cent of the amount as in item 5 above): Rs.16.90 Lakh/-
7. Details of CSR spent during the financial year 2021-22.
 - (a) Total amount spent in the financial year: Rs. 17.00 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: - Rs. 16.90 Lakh/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In Lakhs)	Amount Unspent (Rs. 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
17.00	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 Rs.).	(8) Amount spent in the current financial year(in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(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 scheduleVII to the Act.	(4) Local area(Yes/ No).	(5) Location of the project.		(6) Amount spent for the project(in Rs.) In Lakhs	(7) Mode of implementation-Direct(Yes/No).	(8) Mode of implementation-Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1.	Lion Club of Juhu Service fund	(i) (ii)	Yes	Maharashtra	Mumbai	1.75	No	Lion Club of Juhu Service fund	CSR00004270
2.	Amount paid to Josh Foundation- for providing hearing aids for hearing impaired children	(i)	Yes	Maharashtra	Mumbai	5.00	No	Josh Foundation	CSR00006710
3.	Amount paid to Ahemdabad Cancer Foundation for providing healthcare	(i)	No	Gujarat	Ahemdabad	4.00	No	Ahemdabad Cancer Foundation	CSR00005144
4.	Amount paid to Hemkunt Foundation	(i)	Yes	Maharashtra	Mumbai	0.50	No	Hemkunt Foundation	CSR00004662
5.	Amount paid to Impact guru	(i)	Yes	Maharashtra	Mumbai	0.20	No	Impact Guru	CSR00000991
6.	Amount paid to Akshay Patra Foundation for providing healthcare	(i)	Yes	Maharashtra	Mumbai	0.05	No	The Akshay Patra Foundation	CSR00000286
7.	Shree Kutch Narayan Sarovar Annakshetra	(i)	No	Gujarat	Kutch	1.00	No	Shree Kutch Narayan Sarovar Annakshetra	CSR00015702
8.	Amount paid to Shree Kutch Narayan Sarovar Gaushala for animal welfare	(iv)	No	Gujarat	Kutch	1.00	No	Shree Kutch Narayan Sarovar Gaushala	CSR00015703
9.	Amount paid to Hiraba Parikh Charitable	(ii)	Yes	Maharashtra	Mumbai	1.00	No	Hiraba Parikh Charitable Trust	CSR00006640
10.	Education Park Society	(iv)	No	Bhikangaon in Khargone	Madhya Pradesh	2.50	No	Education Park Society	CSR00013424
	TOTAL					Rs. 17.00			

- (d) Amount spent in Administrative Overheads: Nil
 (e) Amount spent on Impact Assessment, if applicable: NIL
 (f) Total amount spent for the Financial Year: Rs.17.00 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) (Rs. in Lakh)	Amount spent in the reporting Financial Year (Rs. 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 (Rs. Lakh)
				Name of the Fund	Amount (Rs. 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 05, 2022

Place: Mumbai

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders and strive to conduct its business and strengthen its relationships in a manner that is dignified, distinctive and responsible.

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'). It firmly believes and has consistently endeavored to practice good Corporate Governance. 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

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. Listing regulations mandate that for a Company with a non-executive Chairman, at least one-third of the Board should be independent 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.

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.

As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2022, 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

The maximum gap between any two meetings was not more than one hundred and twenty days. The detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by notes is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s).

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, **Twelve (12)** Board Meetings were held on April 22, 2021, June 30, 2021, August 12, 2021, September 01, 2021, October 04, 2021, November 01, 2021, December 02, 2021, December 30, 2021, January 31, 2022, February 11, 2022, March 10, 2022, March 21, 2022.

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 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 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, 2021	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
Mr. Shirish M. Anjaria Din.:00444104	Promoter, Chairman cum Managing Director	Yes	12	0	0	0	Nil
Mr. Parag J. Dalal Din.:00409894	Promoter, Executive & Whole-time Director	Yes	12	0	0	0	Nil
Mr. Dharmesh S. Anjaria Din:00445009	Promoter Executive & Whole-time Director	Yes	11	0	0	0	Nil
*Mr. Dilip P. Palicha Din:02879480	Non-Executive & Independent Director	NA	Nil	0	2	*1	Nil
Mr. Viren C. Shah Din:02886221	Non-Executive & Independent Director	Yes	12	0	2	0	Nil
Mr. Jitesh J. Jain Din:00282797	Non-Executive & Independent Director	Yes	12	0	2	1	Nil
*Mrs. Archana V. Phadke Din:07138774	Non-Executive & Independent Director	Yes	11	0	1	*1	Nil

The Company has an Executive Chairman and the number of Independent Directors is more than 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. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

§Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

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 2021-2022, 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.

8. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

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 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 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 and its subsidiary. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: <http://www.dynacons.com/familiarisation-programme.htm>

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. Dilip Palicha	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. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021, due to his pre-occupation in other activities. Further, the Company has received confirmation from Mr. Dilip Palicha that there are no material reasons for his resignation other than those mentioned in his resignation letter dated April 21, 2021.

#Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mr. Vijay Doshi was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 2022.

3. 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 **Eleven** times during the financial year 2021-2022 on April 22, 2021, June 30, 2021, August 12, 2021, September 01, 2021, October 04, 2021, November 01, 2021, December 02, 2021, December 30, 2021, January 31, 2022, February 11, 2022, March 10, 2022. 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	11
Mr. Viren Shah	Non-Executive & Independent Director	11
*Mr. Dilip Palicha	Non-Executive & Independent Director	Nil
#Mrs. Archana Phadke	Non-Executive & Independent Director	9

*Note- Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

#Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mr. Vijay Doshi was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 2022.

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.

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, 2021 and was attended by Mr. Jitesh Jain, Chairman of the Audit Committee.

4. 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 approve the annual Remuneration of the Directors and Employees of the Company.
- 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).
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- 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.

- Oversee familiarization programs for Directors.

The Nomination and Remuneration committee consists of Non-Executive Directors with the Chairman being an Independent Director. The members of Committee as on 31st March 2022 were #Mrs. Archana Phadke, Mr. Viren Shah and Mr. Jitesh Jain. The Committee is chaired by Mr. Viren Shah. 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 September 01, 2021, January 31, 2022 and March 10, 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. Dilip Palicha	Non-Executive & Independent Director	Nil
Mr. Jitesh Jain	Non-Executive & Independent Director	3
#Mrs. Archana Phadke	Non-Executive & Independent Director	3

*Note- Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

#Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mr. Vijay Doshi was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 2022.

The previous AGM of the Company was held on September 30, 2021 and was attended by Mr. Viren Shah, Chairman 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. Maintaining confidentiality
3. Acting in good faith and in the interest of the company as a whole
4. Exercising duties with due diligence and reasonable care
5. Complying with legislations and regulations in letter and spirit
6. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
7. 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-** Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

#Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mr. Vijay Doshi, was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 2022.

5. 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 2021-2022, the Company paid sitting fees of Rs. 80,000/- 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 2021-2022 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meeting (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
1	Mr. Jitesh Jain	20,000	0	0	20,000
2	*Mr. Dilip Palicha	0	0	0	0
3	Mr. Viren Shah	20,000	0	0	20,000
4	Mrs. Archana Phadke	20,000	0	0	20,000

*Note- Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Directors are not provided with any performance linked incentives.

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, 2022

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 2021-22 are as under:

(Amount in Rs.)

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	54,00,000	49,50,000	49,50,000
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 thrice during the year on September 01, 2021, December 30, 2021 and March 10, 2022. 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	3
*Mr. Dilip Palicha	Non-Executive & Independent Director	Nil
Mr. Jitesh Jain	Non-Executive & Independent Director	3
#Mrs. Archana Phadke	Non-Executive & Independent Director	3

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. 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.

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.

a. 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

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, 2021 and was attended by Mrs. Archana Phadke, Chairperson of the Stakeholder's Relationship Committee.

Note- *Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

#Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

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.

During the year under review, three (3) complaints were received from shareholders/investors of which Nil complaints were unreplaced/unresolved as on 31.03.2022. The number of pending share transfers as on March 31, 2022 were Nil.

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 four times during the year on April 22, 2021, July 01, 2021, February 11, 2021 and March 21, 2022.

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	4
Mr. Shirish Anjaria	Chairman cum Managing Director	4
Mr. Parag Dalal	Executive Director	4
Mr. Dharmesh Anjaria	Executive Director	4

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 Chairman being an Independent Director. The members of Committee were *Mr. Dilip Palicha, #Mrs. Archana Phadke, Mr. Viren Shah, and Mr. Jitesh Jain. The Committee is chaired by Mr. Viren Shah.

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 2021-2022.

*Note- Mr. Dilip Palicha, Non-Executive, Independent Director of the Company resigned from the post of Directorship and as a Chairman of Stakeholder's Relationship Committee and as a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

#Mrs. Archana Phadke, Non-Executive, Independent Director of the Company who was already the member of Stakeholders' Relationship & Grievance Committee was appointed as the Chairperson of the Stakeholders' Relationship & Grievance Committee and as the member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. April 22, 2021.

Mr. Vijay Doshi was appointed as an additional director w.e.f. September 05, 2022 and has been inducted as a Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee.

Mr. Viren Shah, whose second term as Non-executive, Independent Director of the Company will expire at the ensuing Annual General Meeting of the Company will retire from the post of Non-executive, Independent Director and Chairperson of Nomination & Remuneration Committee and as member of Audit Committee, Stakeholders' Relationship & Grievance Committee and Risk Management Committee w.e.f. September 30, 2022.

9. 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 21, 2022, 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 Non-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.

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 Resolutions	Special Passed	Details of special resolution proposed to be conducted through postal ballot
2019	September 30, 2019	02:30 P.M.	Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058	Number of Resolutions 3	Details of Special Resolution are as follows:	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot
				1. Re-appointment of Mr. Shirish Anjaria (Din no.:00444104) as Chairman cum Managing Director		
				2. Re-appointment of Mr. Parag Dalal (Din no.: 00409894) as Whole Time Director		
				3. Re-appointment of Mr. Dharmesh Anjaria (Din no.: 00445009) as Whole time Director		

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 (C o r o n a v i r u s) 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	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot
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2021	September 30, 2021	03:00 P.M.	The 26th 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 (C o r o n a v i r u s) 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	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot
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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 and Prathahkaal 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, 2022.

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, 2022 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 and December 14, 2021, May 05, 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'21 – March'22**

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 Rs. 0.50 per equity share of the face value of Rs. 10/-each for the financial year ended March 31, 2022, 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, 2022.

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

Name and address of stock exchange: The BSE Ltd., Mumbai 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	Code Nos. 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

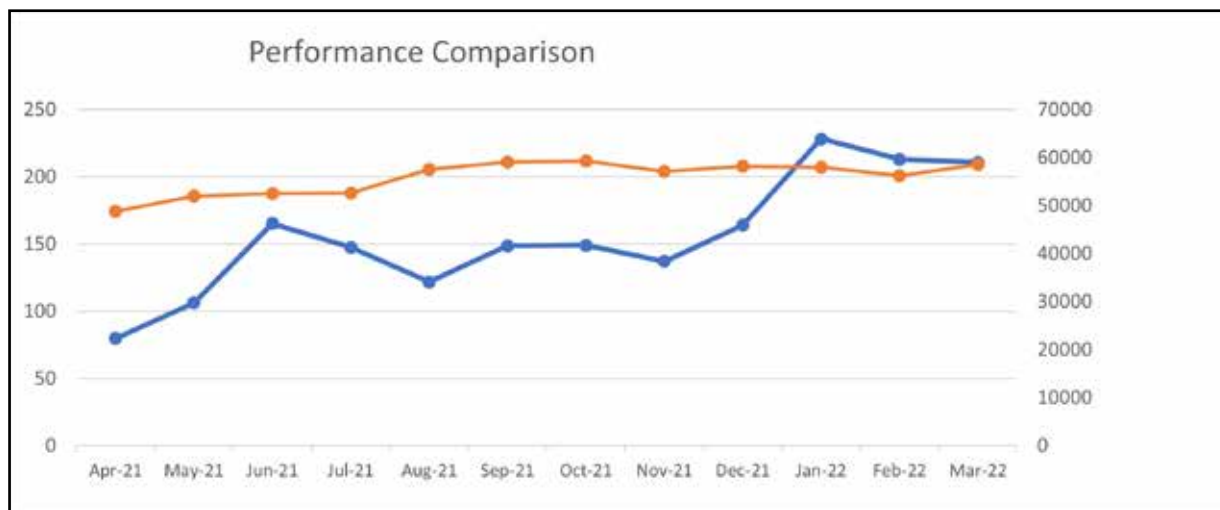
(f) Date of Book Closure/Record Date

As mentioned in the Notice of this AGM

13.6 Stock Market Data

	Bombay Stock Exchange (BSE) (in Rs.)			National Stock Exchange (NSE) (in Rs.)		
	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 2021	89.00	69.50	258536	90.15	69.15	1836129
May 2021	125.50	77.35	441826	125.50	77.15	2752532
June 2021	175.00	101.20	416191	177.25	106.10	2654568
July 2021	169.80	141.00	174302	169.80	140.55	991167
Aug 2021	153.00	116.25	132692	152.70	116.50	591962
Sep 2021	154.50	120.55	182547	154.70	120.60	1271797
Oct 2021	182.15	139.40	236023	183.00	140.00	1665769
Nov 2021	165.00	132.75	68854	155.90	132.70	536011
Dec 2021	173.00	137.90	221410	173.00	137.60	1494986
Jan 2022	262.95	156.00	536039	263.90	156.15	4003599
Feb 2022	267.00	171.00	201891	244.80	171.00	1549745
Mar 2022	251.95	201.40	287234	251.95	205.00	1793343

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. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. 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, 2022

No. of Equity Shares	No. of Folios	% of Total	No. of Shares	% of Total
1-500	15853	93.14	1387093	12.30
501-1000	654	3.84	504923	04.48
1001-2000	262	1.54	390127	03.46
2001-3000	90	0.53	225893	02.00
3001-4000	50	0.29	178298	01.58
4001-5000	29	0.17	134221	01.19
5001-10000	34	0.20	252167	02.24
10001-9999999999	49	0.29	8205358	72.75
Total	17021	100.00	11278080	100.00

Note- The Board had converted 11,45,000 warrants into Equity shares on October 04, 2021, for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same.

13.10 Shareholding of Directors

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	1160948	10.29
2.	Mr. Dharmesh Anjaria	956890	08.48
3.	Mr. Parag Dalal	947200	08.40
4.	Mr. Dilip Palicha	Nil	Nil

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
5.	Mr. Viren Shah	Nil	Nil
6.	Mrs. Archana Phadke	80	00.00
7.	Mr. Jitesh Jain	Nil	Nil

Note- The Board had converted 11,45,000 warrants into Equity shares on October 04, 2021, for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same.

13.11 Dematerialization of Shares as on March 31, 2022

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
1,12,78,080	38,420	0.34%	1,12,39,660	99.66%

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- The Board had converted 11,45,000 warrants into Equity shares on October 04, 2021, for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same.

13.12 Categories of Shareholders as on March 31, 2022

Category	No. of Shares held	Percentage of Shareholding
Clearing Member	30148	00.27%
Corporate Bodies	90593	00.80%
Corporate Bodies (Promoter Company)	1631475	14.47%
Non Nationalised Banks	40	00.00%
Non Resident Indians	220854	01.96%
Promoters/Directors	3878658	34.39%
Public	4595791	40.75%
Relative of Director	830521	07.36%
Total	11278080	100.00%

Note- The Board had converted 11,45,000 warrants into Equity shares on October 04, 2021, for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same.

13.13 Capital of the Company : The authorized and paid-up capital of your Company is Rs.300,000,000 and Rs. 11,27,80,800 respectively.

13.14 Outstanding GDRs/ADRs/Warrants

The Company does not have any outstanding GDRs/ADRs/ ason 31.03.2022, however the Company has 14,15,000 outstanding Warrants which are to be converted into equity shares during F.Y 2022-2023.

Pre-conversion and post conversion holdings of promoter/promoter group is given in the below table: -

Sr. No.	Name of Applicant	Warrant (Nos)	Pre-Share Holding	% Pre-Shareholding	Post-Shareholding	% Post-Shareholding	Category
1.	Shirish Anjaria	0	1160948	10.29	1160948	9.15	Promoter
2.	Parag Dalal	0	947200	8.40	947200	7.46	Promoter
3.	Dharmesh Anjaria	0	956890	8.48	956220	7.53	Promoter
4.	Shirish Anjaria (HUF)	160000	253543	2.25	413543	3.26	Promoter Group
5.	Parag Dalal (HUF)	160000	310077	2.75	470077	3.70	Promoter Group
6.	Dharmesh Anjaria (HUF)	160000	250000	2.22	410000	3.23	Promoter Group
7.	Devangi Dalal	80000	189640	1.68	269640	2.12	Promoter Group
8.	Nilam Anjaria	160000	364602	3.23	524602	4.13	Promoter Group
9.	Hasumati Dalal	80000	64816	0.57	144816	1.14	Promoter Group
10.	Jigna Anjaria	80000	211463	1.87	291463	2.30	Promoter Group
11.	Trigem Infosolutions Limited	455000	1631475	14.47	2086475	16.44	Promoter Group
12.	Pankti Dalal	40000	-	0	40000	0.32	Relative of Promoter
13.	Dhvani Dalal	40000	-	0	40000	0.32	Relative of Promoter
	Total	14,15,000	63,40,654	56.22	7754984	61.10	

13.15 Company Secretary & Compliance Officer

: Ms. Pooja Patwa

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 – 62638299Dynacons 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 Rs. 35.00 Crores. Acuite has also assigned Acuite A3+ rating for the short-term bank facilities of the Company up to Rs. 30 Crores.

14. OTHER DISCLOSURES

a) Related party Transactions:

There are no material related party transactions during the year that have conflict with the interest of the Company. 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 <http://dynacons.com/policy-on-related-party-transactions.htm>

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 and commission to Independent 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 Rs. 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.
- 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_of_conduct.htm
- 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-directors-T&C.htm>
- j) Shareholders
- (i) Mr. Parag Dalal, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (ii) 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, Board had converted 11,45,000 warrants into Equity shares on October 04, 2021, for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on November 11, 2021 and November 01, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on November 22, 2021 for the same. 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 2021-22.
- p) The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts during the Financial Year 2021-2022;
- 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 2021-2022 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 Rs.)
1	Statutory Audit Fees	9,00,000
2	Tax Audit Fees	8,000
3	Others	-
4	Total	9,08,000

- 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.
- 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. 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://www.dynacons.com/policy-on-material-subsiidiaries.htm>

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 Rs. 0.50 per equity share of the face value of Rs. 10/-each for the financial year ended March 31, 2022, on August 12, 2021, and paid to all shareholders eligible as on record date August 23, 2021. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2022. 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

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

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 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 05, 2022

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE ON CORPORATE GOVERNANCE FROM PRACTICING COMPANY SECRETARIES

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, 2022 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, 2022 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, 2022, 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.

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

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

Place: Mumbai.

Date: September 05, 2022

UDIN: F002827D000917884

Peer Review No. 2507/2022

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, 2022.

For Dynacons Systems & Solutions Ltd.

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place: Mumbai
Dated: September 05,2022

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, 2022 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	Viren Champaklal Shah	02886221	20/03/2001
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 05, 2022
UDIN: F002827D000917831
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, 2022, 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, 2022 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.31.6 forming part of the financial statements.
 - ii. The Company has long term contracts as at March 31, 2022 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2022.
 - 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 30, 2022
UDIN: 22008684AJYBXK9294

“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, 2022, 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 Rs. 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, 2022 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
Income Tax	AY 2017-18	CIT Appeals	6.86

- 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 30, 2022
UDIN: 22008684AJYBXK9294

“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, 2022 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, 2022, 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 30, 2022
UDIN: 22008684AJYBXK9294**

Standalone Balance Sheet as at 31st March, 2022

(₹ In Lakhs)

Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	403.70	360.35
(b) Right-of-use assets	2	204.92	278.73
(c) Investment in Subsidiary	3	5.05	5.05
(d) Financial Assets			
(i) Investments	4	51.12	39.00
(ii) Other Financial Assets	5	143.09	31.68
(e) Deferred Tax Assets (Net)	6	39.37	24.95
		<u>847.25</u>	<u>739.77</u>
2 Current assets			
(a) Inventories	7	7,090.64	4,246.66
(b) Financial Assets			
(i) Trade receivables	8	17,567.60	10,189.53
(ii) Cash and cash equivalents	9	727.56	949.88
(iii) Other balances with banks	10	2,804.54	1,320.90
(iv) Short-term loans and advances	11	13.21	19.87
(v) Other Financial Assets	12	812.50	454.66
(c) Other Current Assets	13	28.89	134.61
		<u>29,044.93</u>	<u>17,316.11</u>
TOTAL		<u><u>29,892.18</u></u>	<u><u>18,055.88</u></u>
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	1,127.81	1,013.31
(b) Other Equity	15	5,657.72	3,931.21
		<u>6,785.53</u>	<u>4,944.52</u>
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,200.95	361.30
(ii) Lease Liabilities	17	171.80	245.16
(b) Long-Term Provisions	18	217.28	143.79
(c) Other non-current liabilities	19	6.27	4.38
		<u>1,596.29</u>	<u>754.62</u>
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	4,973.47	3,684.42
(ii) Lease Liabilities	21	68.28	60.42
(iii) Trade Payables	22		
(a) Dues of micro enterprises and small enterprises		3.99	14.79
(b) Dues of creditors other than micro enterprises and small enterprises		16,046.61	7,961.01
(b) Other Current Liabilities	23	418.01	636.10
		<u>21,510.35</u>	<u>12,356.74</u>
TOTAL		<u><u>29,892.18</u></u>	<u><u>18,055.88</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

M. S. PARIKH

Partner

Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Dharmesh Anjaria

Executive Director

DIN : 00445009

Parag Dalal

Executive Director

DIN : 00409894

Ravishankar Singh

Company Secretary &

Compliance Officer

ACS : 22957

Standalone Profit and Loss Statement for the year ended 31st March, 2022

(₹ In Lakhs)

Particulars	Note No.	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1 INCOME			
(a) Revenue from Operations	24	65,397.61	43,593.93
(b) Other Income	25	186.56	186.74
2 Total Revenue		65,584.17	43,780.67
3 EXPENSES			
(a) Purchases of Stock-In-Trade	26	61,681.89	42,185.41
(b) Changes In Inventories Of Stock-In-Trade	27	(2,843.98)	(3,374.80)
(c) Employee Benefits Expense	28	2,756.82	2,393.67
(d) Finance Costs	29	893.28	705.80
(e) Depreciation And Amortisation Expense	2	135.53	125.80
(f) Other Expenses	30	755.32	535.30
4 Total Expenses		63,378.85	42,571.17
5 Profit before tax		2,205.31	1,209.49
6 Tax Expense:			
(a) Current Tax		573.75	300.70
(b) Deferred Tax		(14.42)	(13.46)
		559.33	287.24
7 Profit for the year		1,645.98	922.26
8 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Measurement of defined employee benefit plan		(9.16)	(9.61)
b) Equity instruments through other comprehensive income		12.11	7.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.30	2.41
Other comprehensive income for the year, net of tax		5.25	0.73
9 Total comprehensive income for the year		1,651.23	922.99
10 Earnings per equity share (Profit for the year)			
(i) Basic (In ₹)		15.39	10.08
(ii) Diluted (In ₹)		13.59	7.88
Weighted average number of equity shares			
(i) Basic (In ₹)		1,06,94,601	91,50,578
(ii) Diluted (In ₹)		1,21,09,601	1,17,10,578

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

M. S. PARIKH

Partner

Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

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Executive Director

DIN : 00445009

Parag Dalal

Executive Director

DIN : 00409894

Ravishankar Singh

Company Secretary &

Compliance Officer

ACS : 22957

Standalone Cash Flow Statement for the Year Ended 31st March, 2022

(₹ In Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	2,205.31	1,209.49
Add: Depreciation And Amortisation Expense	135.53	125.80
(Profit)/Loss on wloff of Property, Plant and Equipment	5.18	2.34
(Profit)/Loss on sale of Property, Plant and Equipment	3.50	-
Finance Costs	893.28	705.80
Reversal of lease rentals	-	(1.41)
Dividend Income	-	(55.28)
	<u>1,037.49</u>	<u>777.25</u>
Operating profit before working Capital	3,242.80	1,986.74
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,843.98)	(3,374.80)
Trade receivables	(7,378.07)	(1,789.96)
Other non current financial assets	(111.41)	(31.68)
Other current financial assets	(1,834.82)	(165.18)
Other current assets	(133.73)	351.81
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	8,074.80	3,700.69
Other current financial liabilities	-	234.17
Other current liabilities	(218.09)	155.90
Other non current Liabilities	1.89	(4.58)
Provisions	64.33	22.68
	<u>(4,379.08)</u>	<u>(900.95)</u>
Cash Generated from Operations	(1,136.28)	1,085.79
Taxes paid	(332.00)	(173.40)
Net Cash Flow from operating activities	(1,468.27)	912.39
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(241.91)	(252.24)
Sale of Property, Plant and Equipment	124.84	0.00
Dividend received	-	55.28
Purchase of Investments	-	(30.00)
Net Cash Used for Investing Activities	(117.07)	(226.96)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabiilites	(62.17)	(32.60)
Money received against share warrants	240.45	448.00
Dividend Paid	(50.67)	(45.87)
Proceed from Long-term borrowings (net)	839.64	343.66
Proceeds from Short-term borrowings (net)	1,289.05	(52.84)
Interest Paid	(893.28)	(705.80)
Net cash From Financing Activities	1,363.02	(45.44)
D Net Increase in Cash and Cash Equivalents (A+B+C)	(222.32)	639.99
E Cash and Cash Equivalents (Opening Balance)	949.88	309.90
F Cash and Cash Equivalents (Closing Balance) as per note 9	727.56	949.88

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Component of Cash & Cash equivalents		
Cash on hand	1.29	0.76
Balances with banks in current accounts	66.32	483.07
Demand deposits with Banks	659.95	466.06
	727.56	949.88

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

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

M. S. PARIKH
Partner
Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria
 Chairman cum Managing Director
 DIN : 00444104

Dharmesh Anjaria
 Executive Director
 DIN : 00445009

Parag Dalal
 Executive Director
 DIN : 00409894

Ravishankar Singh
 Company Secretary &
 Compliance Officer
 ACS : 22957

STATEMENT OF CHANGES IN EQUITY
For the year ended 31st Mar, 2022

A. Equity Share Capital (Note No. 14)

(₹ In Lakhs)

Particulars	Equity Share Capital
As at 1st April 2020	917.31
Changes in Equity Share Capital due to prior period errors"	-
Restated balance at 1 st April 2021	-
Changes in Equity Share Capital	96.00
As at 31st March 2021	1,013.31
As at 1st April 2021	1,013.31
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 st April 2021	-
Changes in Equity Share Capital	114.50
As at 31st March 2022	1,127.81

B. Other Equity (Note No. 15)

(₹ In Lakhs)

	Reserves and surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
	₹	₹			
Balance as at 1st April 2020	325.00	2,390.68	(13.60)	-	2,702.09
Total Comprehensive Income for the year					
Additions during the year	172.80	922.26	0.00	448.00	1,543.06
Measurement of defined employee benefit plan	-	-	(9.61)	-	(9.61)
Equity instruments through other comprehensive income	-	-	7.93	-	7.93
Income tax relating to items that will not be reclassified to profit or loss	-	-	2.41	-	2.41
Dividend Paid	-	(45.87)	-	-	(45.87)
Issue of Equity Shares	-	-	-	(96.00)	(96.00)
Transfer to Securities Premium Account	-	-	-	(172.80)	(172.80)
Balance as at 31 st March 2021	497.80	3,267.07	(12.86)	179.20	3,931.21
Balance as at 1 st April 2021	497.80	3,267.07	(12.86)	179.20	3,931.21
Total Comprehensive Income for the year					
Additions during the year	206.10	1,645.98	-	240.45	2,092.53

	Reserves and surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
	₹	₹			
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	4,862.39	(7.61)	99.05	5,657.72

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

M. S. PARIKH
Partner
Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 27 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, 2022 were approved and authorized for issue by Board of Directors on 30th May, 2022.

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 30th May, 2022.

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.

Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

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 1.2.18

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.

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 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. Accounting Standards Issued but not Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April,2021.

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below :

Recent pronouncements

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the 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 31.6 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.

1.2.17. 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. 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, 2022

2 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

Particulars	Property, Plant and Equipment						Right of Use assets
	Furniture & Fixtures	Building	Vehicles (Cars)	Office Equipment	Computer	Total	
Gross block							
Balance as at 1 April 2020	13.39	-	135.10	2.85	280.37	431.70	222.29
Additions	-	100.23	20.65	2.23	129.14	252.24	165.19
Disposals	-	-	-	-	117.22	117.22	27.81
Balance as at 31 March 2021	13.39	100.23	155.75	5.08	292.28	566.72	359.67
Additions	-	-	132.00	1.12	108.80	241.91	-
Disposals	-	100.23	84.50	-	93.63	278.35	6.62
Balance as at 31 March 2022	13.39	-	203.24	6.19	307.45	530.27	353.05
Accumulated depreciation amortisation							
Balance as at 1 April 2020	2.62	-	40.71	1.61	208.09	253.03	26.68
Depreciation / amortisation for the year	1.32	1.33	21.53	0.44	43.60	68.22	57.58
Reversal on disposal of assets	-	-	-	-	114.88	114.88	3.32
Balance as at 31 March 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
Net Block							
Balance as at 1 April 2021	9.45	98.89	93.51	3.03	155.46	360.35	278.73
Balance as at 31 March 2022	8.16	-	168.27	3.30	223.98	403.70	204.92

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

There was no Capital Work in Progress outstanding as at 31st March 2022 (as at 31st March 2021) and hence no details are provided there to.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
3 INVESTMENT IN SUBSIDIARY		
Non Current		
Fully paid equity shares (unquoted) at cost		
(i) Dynacons Systems & Solutions PTE Ltd (7,678 (31 st March, 2021 - 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, 2021 - 220 Equity Shares of ₹ 10 each fully paid up)	0.25	0.16
(ii) In Units of Mutual Fund - Quoted, fully paid up Bank of Baroda Large & Midcap Fund - Growth Option (Unit 299675.326 (31 st March, 2021 - 299675.326)	50.87	38.84
Total	51.12	39.00
Aggregate amount of Quoted Investment	51.12	39.00
Aggregate amount of Un Quoted Investment	-	-
Market Value of Quoted Investment	51.12	39.00
Equity Investment carried at cost	-	-
Investment carried at fair value through other Comprehensive Income	51.12	39.00
Investment carried at fair value through P & L	-	-
5 OTHER FINANCIAL ASSETS		
Non Current		
Bank deposits with more than 12 months maturity	143.09	31.68
Total	143.09	31.68
Deposits Accounts of Rs.143.09 Lakhs (As at 31 st March, 2021 Rs. 31.68 lakhs) pledged for facilities from Banks (Refer Note 20.1)		
6 DEFERRED TAX ASSET NET		
(a) Amounts recognized in profit and loss		
Current tax expense (A) In respect of current year	573.75	300.70

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at	As at
	31 st March, 2022	31 st March, 2021
Deferred tax expense (B) In respect of current year	(14.42)	(13.46)
Tax expense recognized in the income statement (A+B)	559.33	287.24

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31st March, 2022			For the year ended 31st March, 2021		
	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	(9.16)	2.30	(6.86)	(9.61)	2.41	(7.20)
Equity instruments through other comprehensive income	12.11	0.00	12.11	7.93	0.00	7.93
	2.95	2.30	5.25	(1.68)	2.41	0.73

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	%	Amounts	%	Amounts
Profit before tax		2,205.31		1,209.49
Tax using the Company's domestic tax rate	25.17%	555.03	25.17%	304.40
Tax effect of:				
Expenses disallowed for tax purposes	4.84%	26.85	10.41%	31.69
Permanent Difference	-1.47%	(22.55)	-7.06%	(48.86)
Others	0.00%	0.02	0.00%	0.00
TOTAL	3.37%	4.32	3.35%	(17.17)
Effective income tax rate	28.54%	559.35	28.52%	287.24

(d) Movement in deferred tax

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Provisions - employee benefits	51.03	42.64	0.00	0.00	(51.03)	(42.64)
Property, plant and equipment	0.00	0.00	38.57	19.34	38.57	19.34
Lease Rentals	26.90	1.65	0.00	0.00	(26.90)	(1.65)
Deferred tax (assets) liabilities	77.94	44.29	38.57	19.34	(39.37)	(24.95)

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
7 INVENTORIES		
Stock-in-trade	7,090.64	4,246.66
Total	7,090.64	4,246.66

Inventories of Rs. 7090.64 lakhs (as at 31st March, 2021: Rs. 4246.66 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;	17,567.60	10,189.53
Trade Receivables which have significant increase in Credit Risk;	-	17.54
Trade Receivables - credit impaired	-	-
	<u>17,567.60</u>	<u>10,207.07</u>
Less Provision for expected credit loss	-	17.54
Total	17,567.60	10,189.53

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	-	17.54
Reversal during the year	-	-
Balance at the end of the year	-	17.54

8.2 Trade Receivables ageing schedule - Current

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	-	-	-	-	-	-

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
-------------	---------------------------------------	---------------------------------------

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows - Current

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	9,623.70	93.54	162.83	90.87	218.59	10,189.53
Undisputed trade receivables- considered doubtful	-	-	-	-	17.54	17.54
Disputed trade receivables- considered good	-	-	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	-	-	-	-

- 8.3 Trade Receivables of Rs. 17567.60 lakhs (as at 31st March, 2021: Rs. 10,189.53 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 31.8

9 CASH AND CASH EQUIVALENTS

Cash on hand	1.29	0.76
Balances with banks in current accounts	66.32	483.07
Demand deposits with Banks	659.95	466.06
Total	727.56	949.88

Deposits Accounts of Rs.659.95 Lakhs (As at 31st March, 2021 Rs. 466.06 lakhs) pledged for facilities from Banks. (Refer Note 20.1)

10 OTHER BALANCES WITH BANKS

Balances with bank held as margin money	2,804.54	1,320.90
Total	2,804.54	1,320.90

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

Loans & Advances to employees	13.21	19.87
Total	13.21	19.87

12 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)

Security Deposits	812.50	454.66
Total	812.50	454.66

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at	
	31 st March, 2022	31 st March, 2021
13 OTHER CURRENT ASSETS		
Duties & Taxes (Net of provisions)	28.89	134.61
Total	28.89	134.61
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 :		
(1,12,78,080) Equity shares of ₹ 10 each (Previous year 1,01,33,080 Equity shares of ₹ 10 each)	1,127.81	1,013.31

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

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	10,133,080.00	1,013.31	9,173,080.00	917.31
Issued during the year	1,145,000.00	114.50	960,000.00	96.00
Equity Shares at the end of the year	11,278,080.00	1,127.81	10,133,080.00	1,013.31

Additional Information

Sr. no	Promoter	Warrants held as on 31-03-2021	Converted in equity shares during FY 2021-22	Balance Warrants (Pending for Conversion at 31-03-2022)
1	Jigna D Anjaria	80,000	-	80,000
2	Dharmesh S Anjaria (HUF)	160,000	-	160,000
3	Parag J Dalal (HUF)	160,000	-	160,000
4	Devangi Parag Dalal	80,000	-	80,000
5	Shirish M Anjaria (HUF)	160,000	-	160,000
6	Nilam Shirish Anjaria	160,000	-	160,000
7	Hasumati Jitendra Dalal	80,000	-	80,000
8	Pankti Dalal	40,000	-	40,000
9	Dhvani Dalal	40,000	-	40,000
10	Trigem Infosolutions Limited	1,600,000	1,145,000	455,000
	Total	2,560,000	1,145,000	1,415,000

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at	
	31 st March, 2022	31 st March, 2021

14.2 Shareholding of Promoter

Sr. no	Promoter's Name	As at 31 March 2022			As at 31 March 2021		
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the previous year
1	Shirish Mansinh Anjaria	1160948	10.29%	0%	1160948	11.46%	38.05%
2	Parag Jitendra Dalal	947200	8.40%	0%	947200	9.35%	51.02%
3	Jigna D Anjaria	211463	1.87%	0%	211463	2.09%	0.00%
4	Dharmesh S Anjaria HUF	250000	2.22%	0%	250000	2.47%	0.00%
5	Parag J Dalal HUF	310077	2.75%	0%	310077	3.06%	0.00%
6	Devangi Parag Dalal	189640	1.68%	0%	189640	1.87%	0.00%
7	Shirish M Anjaria HUF	253543	2.25%	0%	253543	2.50%	0.00%
8	Dharmesh Shirish Anjaria	956890	8.48%	0%	956220	9.44%	50.30%
9	Nilam Shirish Anjaria	364602	3.23%	0%	364602	3.60%	0.00%
10	Hasumati Jitendra Dalal	64816	0.57%	0%	64816	0.64%	0.00%
11	Trigem Infosolutions Limited	1631475	14.47%	235%	486475	4.80%	0.00%
	Total	6340654	56.22%		5194984	51.27%	

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

Name of the Shareholder	As at 31 Mar 2022		As at 31 Mar 2021	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansinh Anjaria	1,160,948.00	10.29	1,160,948.00	11.46
Dharmesh Shirish Anjaria	956,890.00	8.48	956,220.00	9.44
Parag Jitendra Dalal	947,200.00	8.40	947,200.00	9.35
Trigem Infosolutions Limited	1,631,475.00	0.14	486,475.00	0.05

14.4 The Company has allotted 11,45,000 equity shares of Rs 10 each at a premium of ₹ 18 per share on a Preferential basis on Oct 4, 2021 on Conversion of the Warrants issued in earlier years.

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.

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
14.8 The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on August 12, 2021, 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, 2021. The interim dividend paid is considered as the final dividend for the financial year ended 31 st March, 2022.		
15 OTHER EQUITY		
Securities premium account	703.90	497.80
General reserve	190.46	190.46
Retained earnings	4,671.93	3,076.61
Money received against share warrants	99.05	179.20
Other comprehensive income	(7.61)	(12.86)
Total	5,657.72	3,931.21
The movement in Other Equity:		
(a) Securities premium account		
As per last Balance Sheet	497.80	325.00
Add : Premium on shares issued during the year	206.10	172.80
Total	703.90	497.80
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
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	3,076.61	2,200.22
Less : Dividend Distributed	(50.67)	(45.87)
Add: Profit for the year	1,645.98	922.26
	4,671.93	3,076.61
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	179.20	0.00
Add : Monies received during the year	240.45	448.00
	419.65	448.00
Less : Issue of Shares	114.50	96.00
Less : Transfer to Securities Premium Account	206.10	172.80
Balance for Subsequent Conversion	99.05	179.20

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
<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 in AGM held on dated 30th September, 2020. In pursuance of the above the company received Rs. 2,40,45,000/- towards 11,45,000 warrant at Rs 21 each. The above 11,45,000 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 vide the board of directors at their meeting held on 04 October 2021</p>		
<p>The Proceeds of issue has been utilised for the purpose for which they have been raised</p>		
Total reserves and surplus	5,665.34	3,944.07
(e) Other comprehensive income		
Balance at the beginning of the year	(12.86)	(13.60)
Add : Movement during the year	5.25	0.73
Balance at the end of the year	(7.61)	(12.86)
Total other Equity	5,657.72	3,931.21
16 Non Current Financial Liabilities - Borrowings		
Term Loans		
Secured		
From Banks	1,214.68	286.11
Unsecured		
From Banks	308.24	330.70
	<u>1,522.92</u>	<u>616.81</u>
Less: Current maturities of long-term loan from bank (included in note 20)		
Secured	238.72	241.63
Unsecured	83.25	13.88
	<u>321.97</u>	<u>255.51</u>
Total	1,200.95	361.30
Non Current Liabilities - Long Term Borrowings		
Secured		
From Banks	975.95	44.48
	<u>975.95</u>	<u>44.48</u>
Unsecured		
From Banks	224.99	316.83
	<u>224.99</u>	<u>316.83</u>
Total	1,200.95	361.30

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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16.1 Nature of Security & terms of Repayment of secured borrowing :

- a) Term loans from banks 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.
- b) Other Details

	Particulars	Date of Maturity	Number of Installments Due	Applicable Rate of Interest
	From Banks			
a	-Security Covered - Motor Car			
	Axis Bank	11/10/2025	32.00	8.01%
	Hdfc Bank	11/7/2026	44.00	6.80%
	Hdfc Bank	3/7/2027	48.00	7.00%
b	-Security Covered - Stock, Debtors, Movable, Property, Plant & Equipment			
	HDFC ECLGS	3/1/2026	36.00	8.20% p.a. RR + spread
	HDFC ECLGS 2	1/8/2027	46.00	7.5% p.a. RR + spread

16.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

Balance at the beginning of the year	616.81	38.97
A) Changes from financing cash flows		
(i) Proceeds from borrowings	1,179.10	700.29
(ii) Transaction costs related to borrowings		
(ii) Repayment of borrowings	(272.99)	(122.45)
Total changes from financing cash flows	906.11	577.84
B) Other Changes		
(i) Interest expense paid	(97.62)	(13.93)
(ii) Interest expense accrued	97.62	13.93
Total other changes	-	-
Balance at the end of the year	1,522.92	616.81

17 LEASE LIABILITIES -NON-CURRENT

Lease Liabilities	171.80	245.16
Refer Note no 31.10		
	171.80	245.16

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
18 LONG TERM PROVISIONS		
Provision for employee benefits:		
i) Provision for other defined benefit plans - Gratuity (Refer Note 31.2)	180.93	143.79
ii) Leave Encashment	36.35	0.00
Total	217.28	143.79
19 OTHER NON CURRENT LIABILITIES		
Unpaid Dividends	6.27	4.38
Total	6.27	4.38
20 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Loans repayable on demand		
-Working Capital Loans From Banks	4,651.50	3,428.91
-Current maturities of long-term debt	238.72	241.63
Unsecured		
-Current maturities of long-term debt	83.25	13.88
Total	4,973.47	3,684.42
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	68.28	60.42
	68.28	60.42
22 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	3.99	14.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,046.61	7,961.01
Total	16,050.60	7,975.80

22.1 Trade Payable ageing Schedule

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

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at			As at		
	31 st March, 2022			31 st March, 2021		
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-

Ageing for trade payables outstanding as at March 31, 2021 is as follows

Particulars	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
MSME	14.79	-	-	-	14.79
Others	7,943.21	14.38	3.12	0.30	7,961.01
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

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 st March, 2022	As at 31 st March, 2021
Principal amount due and remaining unpaid	3.99	14.79
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

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*	418.01	636.10
Total	418.01	636.10

* includes statutory dues and others

24 REVENUE FROM OPERATIONS

Revenue from Information Technology Products	65,397.61	43,593.93
Total	65,397.61	43,593.93

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a) The Company is engaged in systems Integration which includes the sales of IT 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	63,097.21	40,500.36
Export to rest of the World (Including deemed export)	2,300.39	3,093.56
Total	65,397.61	43,593.93
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	70,520.35	45,568.05
Less: Adjustements		
Sales return	(5,122.75)	(1,974.13)
Revenue from contracts with Customers	<u>65,397.61</u>	<u>43,593.93</u>
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	17,567.60	10,207.07
Allowance as per Expected credit loss model	-	17.54
Total	<u>17,567.60</u>	<u>10,189.53</u>
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
25 OTHER INCOME		
Interest income	186.23	131.15
Others #	0.34	0.31
Dividend Received	-	55.28
(Dividend received from Wholly owned Subsidiary Company)		
Total	<u>186.56</u>	<u>186.74</u>
# includes Miscellaneous income		
26 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	61,681.89	42,185.41
Total	<u>61,681.89</u>	<u>42,185.41</u>
27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	7,090.64	4,246.66
	<u>7,090.64</u>	<u>4,246.66</u>

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Inventories at commencement		
Stock-in-Trade	4,246.66	871.85
	4,246.66	871.85
Total	(2,843.98)	(3,374.80)
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,575.59	2,236.61
Contributions to provident and other funds	143.87	135.54
Staff Welfare Expenses	37.37	21.52
Total	2,756.82	2,393.67
29 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost	29.86	26.31
b) Interest on borrowings	433.37	412.29
c) Other interest cost	276.91	223.13
d) Others	153.14	44.07
Total	893.28	705.80
30 OTHER EXPENSES		
Electricity Expenses	8.36	6.49
Rent	28.38	12.95
Communication Expenses	16.56	26.35
Auditors Remuneration	9.08	9.00
Bank Charges	8.23	11.03
Conveyance And Travelling Expenses	199.03	150.67
Insurance Charges	23.49	15.31
Legal & Professional Charges	99.94	72.39
Loss on expiry of useful life of assets	5.18	2.34
Loss on sale of Fixed Assets	3.50	-
Membership & Subscription	4.08	4.24
Miscellaneous Expenses	38.44	40.16
Corporate social responsibility expenditure	17.00	15.98
Motor Car Expenses	11.49	4.86
Bad Debts Written off	31.22	27.20
Printing & Stationary Expenses	6.51	3.41
Rates & Taxes	30.95	7.39
Repairs & Maintenance -Building	2.95	5.36
Repairs & Maintenance - Others	4.39	16.21
Sales Promotion Expenses	30.34	6.56

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Transportation Charges	176.18	97.40
Total	755.32	535.30

30.1 Auditors Remuneration

- Audit Fees	9.00	9.00
- Other	0.08	-
Total	9.08	9.00

30.2 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	16.90	11.12
(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.- 21-22	17.00	-
Out of CSR fund of F.Y.- 20-21	-	11.15
Out of CSR fund of F.Y.- 19-20	-	4.83
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, Eradicating hunger and Animal welfare	Healthcare, and poverty &
vii Details of related party transactions: Josh Foundation	5.00	7.50

Additional Information to the financial statements**31.1. Earnings per share (EPS)**

Particulars	Units	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit after Tax	(₹/lakhs)	1645.98	922.26
Weighted Number of Equity Shares	Nos. Lakhs	106.95	91.51
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	15.39	10.08

Notes forming part of the standalone financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021	
Particulars	Units	Year Ended March 31, 2022	Year Ended March 31, 2021
Weighted average number of shares outstanding and dilutive shares	Nos. Lakhs	121.10	117.11
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	13.59	7.88

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.

The following table sets out the status of the Gratuity Plan and the amounts recognized in the financial statement:

Particulars		2022	2021
		Amount (₹)	Amount (₹)
(₹ in Lakhs)			
I. Assumptions :			
	Discount Rate	6.33%	6.82%
	Salary escalation rate	5.00%	4.50%
II. Table Showing Change in Benefit Obligation :			
	Liability at the beginning of the year	143.79	108.78
	Current Service Cost	42.50	35.01
	Benefits Paid	(5.35)	-
	Balance	180.93	143.79
	Liability at the end of the year	180.93	143.79
III. Amount Recognized in the Balance Sheet			
	Liability at the end of the year	180.93	143.79
	Difference Adjusted	-	-
	Amount Recognized in the Balance Sheet	180.93	143.79
IV. Expenses Recognized in the Income Statement:			
	Current Service Cost	33.34	35.01
	Expense Recognized in P & L	33.34	35.01
V. Expenses Recognized in the OCI :			
	Current Service Cost	(9.16)	(9.61)
	Expense Recognized in P & L	(9.16)	(9.61)

Maturity Analysis of the Benefit Payments: From the Employer

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	Year Ended March 31, 2022	Year Ended March 31, 2021
1 st Following Year	4.75	3.12
2 nd Following Year	5.22	3.96
3 rd Following Year	13.26	4.37
4 th Following Year	6.05	11.35
5 th Following Year	6.72	4.97
Sum of Years 6 To 10	44.08	34.09
Sum of Years 11 and above	466.66	341.94

Sensitivity Analysis

(₹ in Lakhs)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Projected Benefit Obligation on Current Assumptions	180.93	143.79
Delta Effect of +1% Change in Rate of Discounting	(21.55)	(17.90)
Delta Effect of -1% Change in Rate of Discounting	26.00	21.73
Delta Effect of +1% Change in Rate of Salary Increase	26.27	21.92
Delta Effect of -1% Change in Rate of Salary Increase	(22.11)	(18.34)
Delta Effect of +1% Change in Rate of Employee Turnover	4.50	3.01
Delta Effect of -1% Change in Rate of Employee Turnover	(5.26)	(3.63)

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 95.47 Lakh (P.y. 91.19 Lakhs)

31.3. Related Party Disclosures

a. The names of related parties and the nature of relationship are as under:

(i) Subsidiaries

Dynacons Systems & Solutions PTE Ltd – Subsidiary Company

(ii) Entities in which Directors or their relatives are interested and with whom transactions have 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

(iv) Non-Executive Director and Independent Director

Jitesh Jain
Dilip Parmanand Palicha (Resigned w.e.f April 22,2021)
Viren Champaklal Shah
Archana Phadke

(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 during the normal course of business are as under:

A. Payments for expenses

Party	Nature of Payment	2022 (₹/lakhs)	2021 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.49	2.58
Mr. Shirish M. Anjaria	Remuneration	54.00	30.00
Mr. Parag J. Dalal	Remuneration	49.50	27.00
Mr. Dharmesh S. Anjaria	Remuneration	49.50	27.00
Mr. Ravishankar Singh	Remuneration	2.08	1.80
Josh Foundation	Corporate social responsibility expenditure	5.00	7.50

B. Dividend Income

Party	Nature of Receipts	2022 (₹/lakhs)	2021 (₹/lakhs)
M/s Dynacons Systems & Solutions PTE Ltd	Dividend Income	NIL	55.28

C. Preferential Allotment of warrants Convertible into Shares to Related Parties

Party	Nature of Payment	No of Warrant	Amount Received (Rs/lakhs)
Trigem Infosolutions Limited	Amount received against warrant converted into Equity shares	1145000 Warrants	240.45
			240.45

31.4. Balances Outstanding

(₹ in Lakhs)

Nature of Transaction	Subsidiaries		Entities controlled by Key Managerial Personnel	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
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.

31.5. Segment Information

The company operates in the single segment of System Integration and Services.

31.6. Contingent Liabilities**a) Claims against the Company not acknowledged as debts:**

Particulars	Period to which the amount relates	Forum where the dispute is pending	2022 (₹/lakhs)	2021 (₹/lakhs)
Income tax	AY 2017-18	CIT Appeals	6.86	6.86

b) Guarantees given by the company's bankers ₹ 4139.81 lakhs (previous year ₹ 3200.03 lakhs)**31.7. 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 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 31st March, 2022	As at 31st March, 2021
Non-current borrowings	1,200.95	361.30
Current maturities of non-current borrowings	321.97	255.51

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current borrowings	4,651.50	3,428.91
Total Debt	6,174.42	4,045.72
Equity	6,785.53	4,944.52
Net debt to equity ratio	0.91	0.82

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, 2022	As at 31 st March, 2021
Financial Assets		
Measured at amortised cost		
Trade receivables	17,567.60	10,189.53
Cash and cash equivalents	727.56	949.88
Bank balances other than above	2,804.54	1,320.90
Loans	13.21	19.87
Other Financial Assets	812.50	454.66
Designated at fair value through other comprehensive income		
Investments	51.12	39.00
Total	21,976.52	12,973.84
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	1,200.95	361.30
Lease Liabilities	240.08	305.58
Short-Term Borrowings	4,973.47	3,684.42
Trade Payables	16,050.60	7,975.80
Total	22,465.09	12,327.10

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 2022 and 31 March 2021,:

(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-22	51.12	51.12	-	-
31-Mar-21	39.00	39.00	-	-

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.

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, 2020	1.07	1.07
Addition / (Deletion) during the year	37.93	37.93
Balance as at 31 March, 2021	39.00	39.00
Addition / (Deletion) during the year	12.11	37.93
Balance as at 31 March, 2022	51.12	39.00

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.

31.8. 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 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:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2022	As at 31 st March, 2021
0-180 days	14,854.21	9,623.70
More than 180 Days	2,713.39	565.82
Total	17,567.60	10,189.53

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 due to the adverse impact of COVID on the business of the said customer. The Company is taking appropriate action to recover the amount. However, based on the Company's accounting policy ₹ 17.54 Lakhs had been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2021. The company continues to maintain the expected credit loss of ₹ 17.54 lakhs in books of account for the year ended 31st March 2022.

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	Contractual cash flows		
	Carrying amount	Upto 1 year	More than 1 year
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
As at 31 March 2021			
Borrowings	3,428.91	3,428.91	-
Trade Payables	7,975.80	7,975.80	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	616.81	361.30	255.51

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 31 st March, 2022	As at 31 st March, 2021
Financial assets		
Trade receivables	499.51	460.71
Net exposure for assets	499.51	460.71
Financial liabilities		
Trade Payables	-	607.09
Net exposure for liabilities	-	607.09
Net exposure (Assets - Liabilities)	499.51	(146.38)

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.

Impact on profit or loss

Movement in currency (Before tax) Particulars	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
USD	24.98	(7.30)	(24.98)	7.30

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 31 st March, 2022	For the year ended 31 st March, 2021
Variable Rate Borrowings	6043.38	3,428.91
Fixed Rate Borrowings	131.03	616.81
Total	6,174.42	4,045.72

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 31 st March, 2022	For the year ended 31 st March, 2021	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Variable Rate Borrowings	15.11	8.57	(15.11)	(8.57)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

31.9. (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

31.10. 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.

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, 2022:

(₹ in Lakhs)

Particulars	31 st March, 2022	31 st March, 2021
Balance at the beginning of the year	305.58	198.88
Lease liabilities recognised on initial application of Ind-AS 116	-	-
Leased liability recognised during the year	-	148.17
Reversals	(7.43)	(8.87)
Finance cost accrued during the period	33.96	26.31
Payment of lease liabilities	(92.03)	(58.91)
Balance at the end	240.07	305.58
Lease Liability – Current	68.27	60.42
Lease Liability - Non-Current	171.8	245.16

Expenses relating to short term leases and low value assets have been disclosed under Rent in Note. 30

31.11. KEY FINANCIAL RATIOS

No.	Ratio	As at 31 March 2022	As at 31 March 2021	Remarks
1	Current ratio (in times)	1.35	1.40	Not Applicable
	Numerator: Total current assets			
	Denominator: Total current liabilities			
2	Debt-Equity ratio (times)	0.91	0.82	Not Applicable
	Numerator: Debt consists of borrowings			
	Denominator: Total equity			
3	Debt service coverage ratio (in times)	6.13	9.86	Due to new term Loan
	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 %)	28.06%	21.54%	The Ratio shows improvement during the year due to increase in Net profit
	Numerator: Profit for the year			
	Denominator: Average total equity			
5	Trade receivables turnover ratio (in times)	4.71	4.69	Not Applicable
	Numerator: Revenue from operations			
	Denominator: Average trade receivables			

No.	Ratio	As at 31 March 2022	As at 31 March 2021	Remarks
6	Trade payables turnover ratio (in times)	4.90	6.34	Not Applicable
	Numerator: Cost of Goods Sold			
	Denominator: Average trade payables			
7	Net Working capital turnover ratio (in times)	8.68	8.79	Not Applicable
	Numerator: Revenue from operations			
	Denominator: working capital (i.e. Total current assets less Total current liabilities)			
8	Net profit ratio (in %)	2.52%	2.12%	Not Applicable
	Numerator: Profit for the year			
	Denominator: Revenue from operations			
9	Return on capital employed (in %)	28.23%	23.00%	Not Applicable
	Numerator: Profit before tax and finance costs			
	Denominator: Average Capital employed (Capital Employed: Total Equity+ Borrowings)			
10	Return on investment (in %)	0.00%	125.48%	Income generated from investment was Nil
	Numerator: Income generated from invested funds			
	Denominator: Average invested funds			

31.12. 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

31.13. 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.
- 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.

31.14. 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.

31.15. COVID IMPACT

The outbreak of COVID - 19 pandemic which is rapidly spreading throughout the world and in India has caused significant

impact on the economic activity. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, expects the carrying amount of the assets will be recovered. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

- 31.16.** The company does not hold any benami property and there are no proceedings which have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 31.17.** The company has not made any loans or advances which are in the nature of loans granted to promoters, directors, Key Managerial Personnel's (KMPs) and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- 31.18.** The company has not been declared as willful defaulter by any bank or financial Institution or other lender.
- 31.19.** The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.
- 31.20.** The company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 31.21.** There is no Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 31.22.** The company does not have any unrecorded transactions in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 31.23.** The Company has not traded or invested in Crypto currency or Virtual Currency 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

- 31.24.** The management have neither come across any instance of fraud on or by the Company, noticed or reported during the financial year.
- 31.25.** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 31.26.** Previous year's figures are re-grouped, re-arranged & re-classified wherever is necessary to confirm current year classification. Unless otherwise stated, figures in brackets relate to previous year and have been rearranged / regrouped wherever necessary.

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

M. S. PARIKH
Partner
Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Parag Dalal
Executive Director
DIN : 00409894

Dharmesh Anjaria
Executive Director
DIN : 00445009

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957

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, 2022, 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, 2022, 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

We did not audit the financial statements and other financial information in respect of 1 subsidiary namely Dynacons Systems & Solutions PTE. Ltd (Subsidiary) located outside India, whose financial statements include Total Assets of Rs. 13.62 Lakhs as at 31st March, 2022, and total revenue from operations of Rs. NIL for the year ended on that date respectively. These financial statements have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. 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 this subsidiary, is based on the conversion adjustments prepared 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, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2022 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.30.5 to the financial statements.
 - ii. The Group has long term contracts as at March 31, 2022 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2022.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

- v. (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 30, 2022
UDIN: 22008684AJYBYC2983**

“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, 2022 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, 2022, 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 30, 2022
UDIN: 22008684AJYBYC2983**

Consolidated Balance Sheet as at 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	403.70	360.35
(b) Right-of-use asset	2	204.92	278.73
(c) Financial Assets			
(i) Investments	3	51.12	39.00
(ii) Other Financial Assets	4	143.09	31.68
(d) Deferred Tax Assets (Net)	5	39.37	24.95
		842.20	734.72
2 Current assets			
(a) Inventories	6	7,090.64	4,246.66
(b) Financial Assets			
(i) Trade receivables	7	17,567.60	10,189.53
(ii) Cash and cash equivalents	8	883.57	973.34
(iii) Other balances with banks	9	2,661.44	1,320.90
(iv) Short-term loans and advances	10	13.21	19.87
(v) Other Financial Assets	11	812.50	454.66
(c) Other Current Assets	12	34.64	143.15
		29,063.60	17,348.11
TOTAL		29,905.80	18,082.82
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	1,127.81	1,013.31
(b) Other Equity	14	5,669.34	3,945.76
		6,797.15	4,959.07
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,200.95	361.30
(ii) Lease Liabilities	16	171.80	245.16
(b) Long-Term Provisions	17	217.28	143.79
(c) Other non-current liabilities	18	6.27	4.38
		1,596.29	754.62
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,973.47	3,684.42
(ii) Lease Liabilities	20	68.28	60.42
(iii) Trade Payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		3.70	14.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		16,048.90	7,973.40
(b) Other Current Liabilities	22	418.01	636.10
		21,512.36	12,369.13
TOTAL		29,905.80	18,082.82

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
M. S. PARIKH
Partner
Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors
Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Dharmesh Anjaria

Executive Director

DIN : 00445009

Parag Dalal

Executive Director

DIN : 00409894

Ravishankar Singh

Company Secretary &

Compliance Officer

ACS : 22957

Consolidated Profit and Loss Statement for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
1 INCOME			
(a) Revenue from Operations	23	65,397.61	43,593.68
(b) Other Income	24	186.60	131.46
2 Total Revenue		65,584.21	43,725.14
3 EXPENSES			
(a) Purchases of Stock-In-Trade	25	61,681.89	42,185.41
(b) Changes In Inventories Of Stock-In-Trade	26	(2,843.98)	(3,374.80)
(c) Employee Benefits Expense	27	2,756.82	2,393.67
(d) Finance Costs	28	893.28	705.80
(e) Depreciation And Amortisation Expense	2	135.53	125.80
(f) Other Expenses	29	758.47	543.89
4 Total Expenses		63,382.00	42,579.76
5 Profit before tax		2,202.20	1,145.38
6 Tax Expense:			
(a) Current Tax		573.75	305.11
(b) Deferred Tax		(14.42)	(13.46)
		559.33	291.65
7 Profit for the year		1,642.87	853.73
8 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Measurement of defined employee benefit plan		(9.16)	(9.61)
b) Equity instruments through other comprehensive income		12.11	7.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.30	2.41
Other comprehensive income for the year, net of tax		5.25	0.73
9 Total comprehensive income for the year		1,648.12	854.46
10 Earnings per equity share (Profit for the year)			
(i) Basic (In ₹)		15.36	9.33
(ii) Diluted (In ₹)		13.57	7.29
Weighted average number of equity shares			
(i) Basic (In ₹)		1,06,94,601	91,50,578
(ii) Diluted (In ₹)		1,21,09,601	1,17,10,578
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

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

Ravishankar Singh

Company Secretary &
Compliance Officer
ACS : 22957

Mumbai : May 30, 2022

Consolidated Cash Flow Statement for the Year Ended 31st March, 2022

(₹ in Lakhs)

Particulars	For the year ended 31 st Mar, 2022	For the year ended 31 st Mar, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	2,202.20	1,145.38
Add: Depreciation And Amortisation Expense	135.53	125.80
(Profit)/Loss on wloff of Property, Plant and Equipment	5.18	2.34
(Profit)/Loss on sale of Property, Plant and Equipment	3.50	-
Finance Costs	893.28	705.80
Reversal of lease rentals	0.00	(1.41)
Difference in Foreign Exchange Rates	0.18	(0.13)
	1,037.66	832.40
Operating profit before working Capital	3,239.86	1,977.78
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,843.98)	(3,374.80)
Trade receivables	(7,378.07)	(1,789.96)
Other non current financial assets	(111.41)	31.68
Other current financial assets	(1,691.72)	(228.54)
Other current assets	(130.95)	350.15
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in Current Liabilities & Provision		
Trade payables	8,064.41	3,706.26
Other current financial liabilities	0.00	234.17
Other current liabilities	(218.09)	155.90
Other non current Liabilities	1.89	(4.58)
Provisions	64.33	22.68
	(4,243.59)	(897.04)
Cash Generated from Operations	(1,003.73)	1,080.74
Taxes paid	(332.00)	(173.40)
Net Cash Flow from operating activities	(1,335.72)	907.34
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(241.91)	(252.24)
Sale of Property, Plant and Equipment	124.84	-
Investments	-	(30.00)
Net Cash Used for Investing Activities	(117.07)	(282.24)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabillites	(62.17)	(32.60)
Money received against share warrants	240.45	448.00
Dividend Paid	(50.67)	(45.87)
Proceed from Long-term borrowings (net)	839.64	343.66

Particulars	For the year ended 31 st Mar, 2022	For the year ended 31 st Mar, 2021
Proceeds from Short-term borrowings (net)	1,289.05	(52.84)
Interest Paid	(893.28)	(705.80)
Net cash From Financing Activities	1,363.02	(45.44)
D Net Increase in Cash and Cash Equivalents (A+B+C)	(89.77)	579.65
E Cash and Cash Equivalents (Opening Balance)	973.34	393.69
F Cash and Cash Equivalents (Closing Balance) as per note 8	883.57	973.34
Component of Cash & Cash equivalents		
Cash on hand	3.46	1.29
Balances with banks in current accounts	77.07	505.99
Demand deposits with Banks	803.04	466.06
	883.57	973.34

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**

**M. S. PARIKH
Partner
Membership No. 08684**

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2022

Equity Share Capital (Note No. 13)

(₹ in Lakhs)

Particulars	Equity Share Capital
	₹
As at 1st April 2020	917.31
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1st April 2020 ^o	-
Changes in Equity Share Capital	96.00
As at 31st March 2021	1,013.31
As at 1st April 2021	1,013.31
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1st April 2021	-
Changes in Equity Share Capital	114.50
As at 31st March 2022	1,127.81

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	Retained Earnings			
	₹	₹			
Balance as at 1st April 2020	325.00	2466.35	(6.04)	-	2785.30
Total Comprehensive Income for the year					
Capital Reserve	-	(0.13)	-	-	(0.13)
Additions during the year	172.80	853.73	-	448.00	1474.53
Measurement of defined employee benefit plan	-	-	(9.61)	-	(9.61)
Equity instruments through other comprehensive income	-	-	7.93	-	7.93
Income tax relating to items that will not be reclassified to profit or loss	-	-	2.41	-	2.41
Dividend Paid	-	(45.87)	-	-	(45.87)
Issue of Equity Shares	-	-	-	(96.00)	(96.00)
Transfer to Securities Premium Account	-	-	-	(172.80)	(172.80)
Balance as at 31st March 2021	497.80	3274.07	(5.31)	179.20	3945.76
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

	Reserve and Surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
	₹	₹			
Additions during the year	206.10	1642.87	0.00	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	4866.45	(0.06)	99.05	5669.34

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

M. S. PARIKH
Partner
Membership No. 08684

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 30 May 2022.

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.

Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

(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 2022. 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-22	31-Mar-21
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.

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 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below :

Recent pronouncements

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the 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 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.

1.2.10. 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 30.5 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 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.

1.2.19. 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, 2022 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. 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, 2022

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	
Balance as at 1 April 2020	13.39	-	135.10	2.85	280.37	431.70	222.29
Additions	-	100.23	20.65	2.23	129.14	252.24	165.19
Disposals	-	-	-	-	117.22	117.22	27.81
Balance as at 31 March 2021	13.39	100.23	155.75	5.08	292.28	566.72	359.67
Additions	-	-	132.00	1.12	108.80	241.91	-
Disposals	-	100.23	84.50	-	93.63	278.35	6.62
Balance as at 31 March 2022	13.39	-	203.24	6.19	307.45	530.27	353.05
Accumulated depreciation/ amortisation							
Balance as at 1 April 2020	2.62	-	40.71	1.61	208.09	253.03	26.68
Depreciation / amortisation for the year	1.32	1.33	21.53	0.44	43.60	68.22	57.58
Reversal on disposal of assets	-	-	-	-	114.88	114.88	3.32
Balance as at 31 March 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
Net Block							
Balance as at 1 April 2021	9.45	98.89	93.51	3.03	155.46	360.35	278.73
Balance as at 31 March 2022	8.16	-	168.27	3.30	223.98	403.70	204.92

Of the above, charge has been created over Furnitures & Fixtures, Vehicles, Office Equipments and Computers in regard to borrowings (Refer note 19.1)

There was no Capital Work in Progress outstanding as at 31st March 2022 (as at 31st March 2021) and hence no details are provided there to.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

		(₹ In Lakhs)	
Particulars	As at 31 st March, 2022	As at 31 st March, 2021	
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	0.16
	(220 (31 st March, 2021 - 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 - Growth Option	50.87	38.84
	(Unit 299675.326 (31 st March, 2021 - 299675.326)		
		<u>51.12</u>	<u>39.00</u>
	Total	51.12	39.00
	Aggregate amount of Quoted Investment	51.12	39.00
	Aggregate amount of Un Quoted Investment	-	-
	Market Value of Quoted Investment	51.12	39.00
	Equity Investment carried at cost	-	-
	Investment carried at fair value through other Comprehensive Income	51.12	39.00
	Investment carried at fair value through P & L	-	-
4	OTHER FINANCIAL ASSETS		
	Non Current		
	Bank deposits with more than 12 months maturity	143.09	31.68
	Total	143.09	31.68
	Deposits Accounts of Rs.143.09 Lakhs (As at 31 st March, 2021 Rs. 31.68 lakhs) pledged for facilities from Banks. (Refer Note 19.1)		
5	DEFERRED TAX LIABILITY NET		
(a)	Amounts recognized in profit and loss		
	Current tax expense (A)		
	In respect of current year	573.75	305.11
	Deferred tax expense (B)		
	In respect of current year	(14.42)	(13.46)
	Tax expense recognized in the income statement (A+B+C)	<u>559.33</u>	<u>291.65</u>

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at		As at	
	31 st March, 2022		31 st March, 2021	

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31 st March, 2022			For the year ended 31 st March, 2021		
	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	(9.16)	2.30	(6.86)	(9.61)	2.41	(7.20)
Equity instruments through other comprehensive income	12.11	0.00	12.11	7.93	0.00	7.93
	2.95	2.30	5.25	(1.68)	2.41	0.73

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2022		For the year ended 31 st March, 2021	
	%	Amount	%	Amount
Profit before tax		2,202.20		1,145.38
Tax using the Company's domestic tax rate	25.17%	554.29	25.17%	288.27
Tax effect of:				
Expenses disallowed for tax purposes	4.84%	26.85	10.67%	30.75
Permanent Difference	-1.47%	-22.55	-9.39%	-27.37
Others	0.00	0.00	0.00%	0.00
TOTAL	3.37%	4.30	1.28%	3.38
Effective income tax rate	28.54%	558.59	26.44%	291.65

(d) Movement in deferred tax

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Provisions - employee benefits	51.03	42.64	0.00	0.00	(51.03)	(42.64)
Property, plant and equipment	0.00	0.00	38.57	19.34	38.57	19.34
Lease Rentals	26.90	1.65	0.00	0.00	(26.90)	(1.65)
Deferred tax (assets) liabilities	77.94	44.29	38.57	19.34	(39.37)	(24.95)

6 INVENTORIES

Stock-in-trade	7,090.64	4,246.66
Total	7,090.64	4,246.66

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Inventories of Rs.7090.64 lakhs (as at 31 st March, 2019: Rs.4246.66 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;	17,567.60	10,189.53
Trade Receivables which have significant increase in Credit Risk;	-	17.54
Trade Receivables - credit impaired	-	-
	17,567.60	10,207.07
Less Provision for expected credit loss	-	17.54
Total	17,567.60	10,189.53

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	-	17.54
Reversal during the year	-	-
Balance at the end of the year	-	17.54

7.2 Trade Receivables ageing schedule - Current

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

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
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 for trade receivables – current outstanding as at March 31, 2021 is as follows -Current

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables-considered good	9,623.70	93.54	162.83	90.87	218.59	10,189.53

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables-considered doubtful	-	-	-	-	17.54	17.54
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

- 7.3 Trade Receivables of 17567.60 lakhs (as at 31st March, 2021: Rs. 10,189.53 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 30.7

8 CASH AND CASH EQUIVALENTS

Cash on hand	3.46	1.29
Balances with banks in current accounts	77.07	505.99
Demand deposits with Banks	803.04	466.06
Total	883.57	973.34

Deposits Accounts of Rs.659.95Lakhs (As at 31st March, 2021 Rs. 466.06 lakhs) pledged for facilities from Banks. (Refer Note 19.1)

9 OTHER BALANCES WITH BANKS

-Balances with bank held as margin money	2,661.44	1,320.90
Total	2,661.44	1,320.90

10 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Loans & Advances to employees	13.21	19.87
Total	13.21	19.87

11 OTHER FINANCIAL ASSETS

(Unsecured and Considered Good)

Security Deposits	812.50	454.66
Total	812.50	454.66

12 OTHER CURRENT ASSETS

Duties & Taxes (Net of provisions)	34.64	143.15
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Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at	As at
	31 st March, 2022	31 st March, 2021
Total	34.64	143.15
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)	1,127.81	1,013.31

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

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	1,01,33,080.00	1,013.31	91,73,080.00	917.31
Issued during the year	11,45,000.00	114.50	9,60,000.00	96.00
Equity Shares at the end of the year	1,12,78,080.00	1,127.81	1,01,33,080.00	1,013.31

Additional Information

Sr. no	Promoter	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
2	Dharmesh S Anjaria (HUF)	160,000	-	160,000
3	Parag J Dalal (HUF)	160,000	-	160,000
4	Devangi Parag Dalal	80,000	-	80,000
5	Shirish M Anjaria (HUF)	160,000	-	160,000
6	Nilam Shirish Anjaria	160,000	-	160,000
7	Hasumati Jitendra Dalal	80,000	-	80,000
8	Pankti Dalal	40,000	-	40,000
9	Dhvani Dalal	40,000	-	40,000
10	Trigem Infosolutions Limited	1,600,000	1,145,000	455,000
	Total	2,560,000	1,145,000	1,415,000

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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13.2 Shareholding of Promoter

Sr. no	Promoter's	As at 31 March 2022			As at 31 March 2021	
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares
1	Shirish Mansinh Anjaria	1160948	10.29	-	1160948	11.46
2	Parag Jitendra Dalal	947200	8.4	-	947200	9.35
3	Jigna Dharmesh Anjaria	211463	1.87	-	211463	2.09
4	Dharmesh Shirish Anjaria HUF	250000	2.22	-	250000	2.47
5	Parag Jitendra Dalal HUF	310077	2.75	-	310077	3.06
6	Devangi Parag Dalal	189640	1.68	-	189640	1.87
7	Shirish Mansinh Anjaria HUF	253543	2.25	-	253543	2.5
8	Dharmesh Shirish Anjaria	956890	8.48	-	956220	9.44
9	Nilam Shirish Anjaria	364602	3.23	-	364602	3.6
10	Hasumati Jitendra Dalal	64816	0.57	-	64816	0.64
11	Trigem Infosolutions Limited	1631475	14.47	2.35	486475	4.8
	Total	6340654	56.21		5194984	51.28

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

Name of the Shareholder	As at 31 Mar 2022		As at 31 Mar 2021	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansinh Anjaria	11,60,948	10.29	11,60,948	11.46
Dharmesh Shirish Anjaria	9,56,890	8.48	9,56,220	9.44
Parag Jitendra Dalal	9,47,200	8.40	9,47,200	9.35
Trigem Infosolutions Limited	16,31,475	14.47	4,86,475	4.80

13.4 The Company has allotted 11,45,000 equity shares of Rs 10 each at a premium of ` 18 per share on a Preferential basis on Oct 4, 2021 on conversion of warrants issued in earlier years.

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.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
13.8 The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on August 12, 2021, 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, 2021. The interim dividend paid is considered as the final dividend for the financial year ended 31 st March, 2022.		
14 OTHER EQUITY		
Capital Reserve	0.78	0.60
Securities premium account	703.90	497.80
General reserve	190.46	190.46
Retained earnings	4,675.22	3,083.02
Money received against share warrants	99.05	179.20
Other comprehensive income	(0.06)	(5.31)
Total	5,669.34	3,945.76

The movement in Other Equity:**(a) Capital Reserve**

Opening Balance	0.60	0.73
Add : Consolidation of Susidiary Investments	0.18	(0.13)
Total	0.78	0.60

(b) Securities premium account

As per last Balance Sheet	497.80	325.00
Add : Premium on shares issued during the year	206.10	172.80
Total	703.90	497.80

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
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	3,083.02	2,275.15
Less : Dividend Distributed	(50.67)	(45.87)
Add: Profit for the year	1,642.87	853.73
Total	4,675.22	3,083.02

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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	179.20	-
Add : Monies received during the year	240.45	448.00
	419.65	448.00
Less : Issue of Shares	114.50	96.00
Less : Transfer to Securities Premium Account	206.10	172.80
Balance for Subsiquent Conversion	99.05	179.20
<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. 2,40,45,000/- towards 11,45,000 warrant at Rs 21 each . The above 11,45,000 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 vide the board of directors at their meeting held on 04 October 2021</p> <p>The Proceeds of issue has been utilised for the purpose for which they have been raised.</p>		
Total reserves and surplus	5,669.41	3,951.08
(f) Other comprehensive income		
Balance at the beginning of the year	(5.31)	(6.05)
Add : Movement during the year	5.25	0.73
Balance at the end of the year	(0.06)	(5.31)
Total Other Equity	5,669.34	3,945.76
15 Long-Term Borrowings		
Term Loans		
Secured		
From Banks	1,214.68	286.11
Unsecured		
From Banks	308.24	330.70
	1,522.92	616.81
Less: Current maturities of long-term loan from bank (included in note 19)		
Secured	238.72	241.63
Unsecured	83.25	13.88

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Total	321.97	255.51
Non Current Liabilities - Long Term Borrowings	1,200.95	361.30
Secured		
From Banks	975.95	44.48
	975.95	44.48
Unsecured		
From Banks	224.99	316.83
	224.99	316.83
Total	1,200.95	361.30

15.1 Nature of Security & terms of Repayment of secured borrowing :

- a) Term loans from banks 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.

b) Other Details

	Particulars	Date of Maturity	Number Of Installments Due	Applicable Rate Of Interest
	From Banks			
a	-Security Covered - Motor Car			
	Axis Bank	10-11-2025	32.00	8.01%
	Hdfc Bank	07-11-2026	44.00	6.80%
	Hdfc Bank	07-03-2027	48.00	7.00%
b	-Security Covered - Stock, Debtors, Movable, Property, Plant & Equipment			
	HDFC ECLGS	01-03-2026	36.00	8.20% p.a. RR + spread
	HDFCECLGS 2	08-01-2027	46.00	7.5% p.a. RR + spread

15.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

Balance at the beginning of the year	616.81	38.97
A) Changes from financing cash flows		
(i) Proceeds from borrowings	1,179.10	700.29
(ii) Transaction costs related to borrowings		
(ii) Repayment of borrowings	(272.99)	(122.45)
Total changes from financing cash flows	906.11	577.84
B) Other Changes		

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(i) Interest expense paid	(97.62)	(13.93)
(ii) Interest expense accrued	97.62	13.93
Total other changes	-	-
Balance at the end of the year	1,522.92	616.81
16 LEASE LIABILITIES -NON-CURRENT		
Lease Liabilities	171.80	245.16
Refer Note no 30.8		
	171.80	245.16
17 LONG TERM PROVISIONS		
Provision for employee benefits:		
Provision for other defined benefit plans		
- Gratuity (Refer Note 30.2)	180.93	143.79
Leave Encashment	36.35	-
Total	217.28	143.79
18 OTHER NON CURRENT LIABILITIES		
Unpaid Dividends	6.27	4.38
Total	6.27	4.38
19 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Loans repayable on demand		
Working Capital Loans :		
-Working Capital Loans From Banks	4,651.50	3,428.91
-Current maturities of long-term debt	238.72	241.63
Unsecured		
-Current maturities of long-term debt	83.25	13.88
	4,973.47	3,684.42
19.1 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 Fixed Assets and personal guarantees of directors.		
20 LEASE LIABILITIES - CURRENT		
Lease Liabilities	68.28	60.42
	68.28	60.42

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
21 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	3.70	14.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,048.90	7,973.40
Total	16,052.60	7,988.19

21.1 Trade Payable ageing Schedule

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 for trade payables outstanding as at March 31, 2021 is as follows

Particulars	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
MSME	14.79	-	-	-	14.79
Others	7,955.60	14.38	3.12	0.30	7,973.40
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

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, 2022	As at 31 Mar, 2021
Principal amount due and remaining unpaid	3.70	14.79
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	-	-

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.

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
22 OTHER CURRENT LIABILITIES		
Other Payables*	418.01	636.10
Total	418.01	636.10
* includes statutory dues and others		
23 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	65,397.61	43,593.68
Total	65,397.61	43,593.68
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	63,097.21	40,500.36
Export to rest of the World (Including deemed export)	2,300.39	3,093.32
Total	65,397.61	43,593.68
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	70, 520.35	45, 567.81
Less: Adjustements		
Sales return	(5,122.75)	(1,974.13)
Revenue from contracts with Customers	65,397.61	43,593.68
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables		
Allowance as per Expected credit loss model	-	17.54
Total	17,567.60	10,189.53
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
24 Other Income		
Interest income	186.23	131.15
Others #	0.37	0.31
Total	186.60	131.46
# includes Miscellaneous income		

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
25 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	61,681.89	42,185.41
Total	61,681.89	42,185.41
26 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	7,090.64	4,246.66
	7,090.64	4,246.66
Inventories at commencement		
Stock-in-Trade	4,246.66	871.85
	4,246.66	871.85
Total	(2,843.98)	(3,374.80)
27 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,575.59	2,236.61
Contributions to provident and other funds	143.87	135.54
Staff Welfare Expenses	37.37	21.52
Total	2,756.82	2,393.67
28 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost		
b) Interest on borrowings	29.86	26.31
c) Other interest cost	433.37	412.29
d) Others	276.91	223.13
	153.14	44.07
	893.28	705.80
29 Other Expenses		
Electricity Expenses	8.36	6.49
Rent	28.38	13.28
Communication Expenses	16.56	26.35
Auditors Remuneration	9.08	9.00
Bank Charges	8.75	11.55
Conveyance And Travelling Expenses	199.03	150.67
Insurance Charges	23.49	15.31
Legal & Professional Charges	101.88	79.60
Loss on expiry of useful life of assets	5.18	2.34
Loss on sale of Fixed Assets	3.50	-
Membership & Subscription	4.08	4.24

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Miscellaneous Expenses	38.44	40.16
Corporate social responsibility expenditure	17.00	15.98
Motor Car Expenses	11.49	4.86
Bad Debts Written off	31.22	27.20
Printing & Stationary Expenses	6.51	3.41
Rates & Taxes	30.95	7.92
Repairs & Maintenance -Building	2.95	5.36
Repairs & Maintenance - Others	4.39	16.21
Sales Promotion Expenses	30.97	6.56
Transportation Charges	176.26	97.40
Total	758.47	543.89

29.1 Auditors Remuneration

- Audit Fees	9.00	9.00
- Other	0.08	-
Total	9.08	9.00

29.2 Miscellaneous Expenses includes office Expense postage & telegram exp etc

29.3 Details of corporate social responsibility expenditure

(a) Amount required to be spent by the Company	16.90	11.12
(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.- 21-22	17.00	-
Out of CSR fund of F.Y.- 20-21	-	11.15
Out of CSR fund of F.Y.- 19-20	-	4.83
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, Eradicating hunger & Animal welfare	Healthcare, and poverty & &
vii Details of related party transactions: Josh Foundation	5.00	7.50

Notes forming part of the consolidated financial statements for the year ended 31st Mar,2022

(₹ In Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
-------------	---------------------------------------	---------------------------------------

Additional Information to the financial statements**30.1. Earnings per share (EPS)**

Particulars	Units	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit after Tax	(₹/lakhs)	1642.87	853.73
Weighted Number of Equity Shares	Nos. Lakhs	106.95	91.51
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	15.36	9.33
Weighted average number of shares outstanding and dilutive shares	Nos. Lakhs	121.10	117.11
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	13.57	7.29

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	2022	2021
	Amount (₹)	Amount (₹)
I. Assumptions :		
Discount Rate	6.33%	6.82%
Salary escalation rate	5.00%	4.50%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	143.79	108.78
Current Service Cost	42.50	35.01
Benefits Paid	(5.35)	-
Balance	180.93	143.79
Liability at the end of the year	180.93	143.79
III. Amount Recognized in the Balance Sheet		
Liability at the end of the year	180.93	143.79
Difference Adjusted	-	-
Amount Recognized in the Balance Sheet	180.93	143.79
IV. Expenses Recognized in the Income Statement:		
Current Service Cost	33.34	35.01

Particulars	2022	2021
	Amount (₹)	Amount (₹)
Expense Recognized in P & L	33.34	35.01
IV. Expenses Recognized in the OCI :		
Current Service Cost	(9.16)	(9.61)
Expense Recognized in P & L	(9.16)	(9.61)

Maturity Analysis of the Benefit Payments

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	Year Ended March 31, 2022	Year Ended March 31, 2021
1 st Following Year	4.75	3.12
2 nd Following Year	5.22	3.96
3 rd Following Year	13.26	4.37
4 th Following Year	6.05	11.35
5 th Following Year	6.72	4.97
Sum of Years 6 To 10	44.08	34.09
Sum of Years 11 and above	466.66	341.94

Sensitivity Analysis

(₹ in Lakhs)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Projected Benefit Obligation on Current Assumptions	180.93	143.79
Delta Effect of +1% Change in Rate of Discounting	(21.55)	(17.90)
Delta Effect of -1% Change in Rate of Discounting	26.00	21.73
Delta Effect of +1% Change in Rate of Salary Increase	26.27	21.92
Delta Effect of -1% Change in Rate of Salary Increase	(22.11)	(18.34)
Delta Effect of +1% Change in Rate of Employee Turnover	4.50	3.01
Delta Effect of -1% Change in Rate of Employee Turnover	(5.26)	(3.63)

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 Rs. 95.47 Lakh (P.Y. Rs. 91.19 Lakhs)

30.3. 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

(iv) Non Executive Director and Independent Director

Jitesh Jain

Dilip Parmanand Palicha (Resigned w.e.f April 22,2021)

Viren Champaklal Shah

Archana Phadke

(v) Other Related Party (Significant Influence)

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	2022 (₹/lakhs)	2021 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.49	2.58
Mr. Shirish M. Anjaria	Remuneration	54.00	30.00
Mr. Parag J. Dalal	Remuneration	49.50	27.00
Mr. Dharmesh S. Anjaria	Remuneration	49.50	27.00
Mr. Ravishankar Singh	Remuneration	2.08	1.80
Josh Foundation	Corporate social responsibility expenditure	5.00	7.50
Dynacons Systems & Solutions Limited	Payment of dividend by wholly owned subsidiary to holding company	-	55.28

Notes:

Service transactions with related parties are made at arm's length price.

B. Preferential Allotment of warrants Convertible into Shares to Related Parties

Party	Nature of Payment	No of Warrant	Amount Received (Rs/lakhs)
Trigem Infosolutions Limited	Amount received against warrant converted into Equity shares	1145000 Warrants	240.45
			240.45

30.4. Segment Information

The company operates in the single segment of System Integration and Services.

30.5. Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

Particulars	Period to which the amount relates	Forum where the dispute is pending	2022 (₹/lakhs)	2021 (₹/lakhs)
Income tax	AY 2017-18	CIT Appeals	6.86	6.86

b) Guarantees given by the company's bankers ₹ 4139.81 lakhs (previous year ₹ 3200.03 lakhs)

30.6. 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, 2022	As at 31 st March, 2021
Non-current borrowings	1,200.95	361.30
Current maturities of non-current borrowings	321.97	255.51
Current borrowings	4,651.50	3,428.91
Total Debt	6,174.42	4,045.72
Equity	6,797.15	4,959.07
Net debt to equity ratio	0.91	0.82

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, 2022	As at 31 st March, 2021
Financial Assets		
Measured at amortised cost		
Trade receivables	17,567.60	10,189.53
Cash and cash equivalents	883.57	973.34
Bank balances other than above	2,661.44	1,320.90
Short Term Loans and advances	13.21	19.87
Other Financial Assets	812.50	454.66
Designated at fair value through other comprehensive income		
Investments in equity shares	51.12	39.00
Total	21,989.44	12,997.30
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	1,200.95	361.30
Lease Liabilities	240.08	305.58
Short-Term Borrowings	4,973.47	3,684.42
Trade Payables	16,052.60	7,988.19
Total	22,467.09	12,339.49

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 2021 and 31 March 2020:

(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-22	51.12	51.12	-	-
	31-Mar-21	39.00	39.00	-	-

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, 2020	1.07	1.07
Addition / (Deletion) during the year	37.93	37.93
Balance as at 31 March, 2021	39.00	39.00
Addition / (Deletion) during the year	12.11	37.93
Balance as at 31 March, 2022	51.12	39.00

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.

30.7. 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.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowan for trade and other receivables:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
0-180 days	14,854.21	9,623.70
More than 180 Days	2,713.39	565.82
Total	17,567.60	10,189.53

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 due to the adverse impact of COVID on the business of the said customer. The Company is taking appropriate action to recover the amount. However, based on the Company's accounting policy ₹ 17.54 Lakhs had been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2021. The company continues to maintain the expected credit loss of Rs, 17.54 lakhs in books of account for the year ended 31st March 2022.

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 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 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
As at 31 March 2021			
Borrowings	3,428.91	3,428.91	-
Trade Payables	7,988.19	7,988.19	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	616.81	255.51	361.30

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 31 st March, 2022	As at 31 st March, 2021
Financial assets		
Trade receivables	499.51	460.71
Net exposure for assets	499.51	460.71

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Financial liabilities		
Trade Payables	-	607.09
Net exposure for liabilities	-	607.09
Net exposure (Assets - Liabilities)	499.51	(146.38)

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% change 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 31 st March, 2022	For the year ended 31 st March, 2021	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
USD	24.98	(7.32)	(24.98)	7.32

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 31 st March, 2022	For the year ended 31 st March, 2021
Variable Rate Borrowings	6043.38	3,428.91
Fixed Rate Borrowings	131.03	616.81
	6,174.42	4,045.72

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate Particulars	Increase in Interest rate by 0.25%		Decrease in Interest rate by 0.25%	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Variable rate borrowings	11.63	8.57	(11.63)	(8.57)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

30.8. 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.

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, 2021:

(₹ in Lakhs)

Particulars	31 st March, 2022	31 st March, 2021
Balance at the beginning of the year	305.58	198.88
Lease liabilities recognised on initial application of Ind-AS 116	-	-
Leased liability recognised during the year	-	148.17
Reversals	(7.43)	(8.87)
Finance cost accrued during the period	33.96	26.31
Payment of lease liabilities	(92.03)	(58.91)
Balance at the end	240.07	305.58
Lease Liability – Current	68.27	60.42
Lease Liability - Non-Current	171.80	245.16

Expenses relating to short term leases and low value assets have been disclosed under Rent in Note.29

30.9. 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.	-	11.62	-	-3.11	-	-	-	-3.11

30.10. KEY FINANCIAL RATIOS

No.	Ratio	As at 31 March 2022	As at 31 March 2021	Remarks
1	Current ratio (in times)	1.35	1.40	Not Applicable
	Numerator: Total current assets			
	Denominator: Total current liabilities			
2	Debt-Equity ratio (times)	0.91	0.82	Not Applicable
	Numerator: Debt consists of borrowings			
	Denominator: Total equity			
3	Debt service coverage ratio (in times)	6.13	9.48	Due to increase in debts
	Numerator: Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest +Other non-cash adjustments			
	Denominator: Debt service = Interest + Principal repayments			
4	Return on equity ratio (in %)	27.95%	19.71%	The Ratio shows improvement during the year due to increase in Net profit
	Numerator: Profit for the year			
	Denominator: Average total equity			
5	Trade receivables turnover ratio (in times)	4.71	4.69	Not Applicable
	Numerator: Revenue from operations			
	Denominator: Average trade receivables			
6	Trade payables turnover ratio (in times)	4.89	6.33	Not Applicable
	Numerator: Cost of equipment and software licences + Other expenses			
	Denominator: Average trade payables			
7	Net Working capital turnover ratio (in times)	8.66	8.76	Not Applicable
	Numerator:Revenue from operations			
	Denominator: working capital (i.e. Total current assets less Total current liabilities)			

No.	Ratio	As at 31 March 2022	As at 31 March 2021	Remarks
8	Net profit ratio (in %)	2.51%	1.96%	The Ratio shows improvement during the year due to increase in Net profit
	Numerator: Profit for the year			
	Denominator: Revenue from operations			
9	Return on capital employed (in %)	28.19%	21.78%	Not Applicable
	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%	Not Applicable
	Numerator: Income generated from invested funds			
	Denominator: Average invested funds in treasury investments			

30.11. COVID IMPACT

The outbreak of COVID - 19 pandemic which is rapidly spreading throughout the world and in India has caused significant impact on the economic activity. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, expects the carrying amount of the assets will be recovered. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

30.12. The company does not hold any benami property and there are no proceedings which have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

30.13. The company has not made any loans or advances which are in the nature of loans granted to promoters, directors, Key Managerial Personnel's (KMPs) and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

30.14. The company has not been declared as willful defaulter by any bank or financial Institution or other lender.

30.15. The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.

30.16. The company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.

30.17. There is no Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

30.18. The company does not have any unrecorded transactions in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

30.19. The Company has not traded or invested in Crypto currency or Virtual Currency 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

30.20. The management have neither come across any instance of fraud on or by the Company, noticed or reported during the financial year.

30.21. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

30.22. Previous year's figures are re-grouped, re-arranged & re-classified wherever is necessary to confirm current year classification. Unless otherwise stated, figures in brackets relate to previous year and have been rearranged / regrouped wherever necessary.

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

**M. S. PARIKH
Partner
Membership No. 08684**

Mumbai : May 30, 2022

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Parag Dalal
Executive Director
DIN : 00409894

Dharmesh Anjaria
Executive Director
DIN : 00445009

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957



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Phone: +91-22-6688 9900

E-mail: sales@dynacons.com

78, Ratnajyot Industrial Estate, Irla Lane,
Vile Parle (W). Mumbai 400056. INDIA.