



September 07, 2021

BSE Ltd. Corporate Relations Department, 1 st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001 Security Code: 532365	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051 Symbol: DSSL
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Dear Sir,


Sub: Annual Report of Dynacons Systems & Solutions Ltd for Financial Year 2020-21

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 26th Annual General Meeting (AGM) to be held on Thursday, September 30, 2021, at 3:00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means("OAVM") of Dynacons Systems & Solutions Ltd for Financial Year 2020-2021.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For Dynacons Systems & Solutions Limited


Ravi Singh
Company Secretary &
Compliance Officer



Encl.: Copy as above

Dynacons Systems & Solutions Limited

CIN NO : L72200MH1995PLC093130

Certified ISO 9001:2008, ISO 20000-1:2011, ISO 27001:2013

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.

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DYNACONS
SOLUTIONS THAT EMPOWER

Aiming for the sky and achieving it.

Adapt. Expand. Grow.

**26TH
ANNUAL
REPORT**

2021

www.dynacons.com



We have solution architects, systems integrators and consultants, program and project managers who are thoroughly trained in the latest business tools and technologies. We have the skills and expertise needed to take your vision for an agile, integrated enterprise and make it real.

KNOW DYNACONS

- ✓ Highly experienced and professional management team.
- ✓ Strategic alliances with global technology companies.
- ✓ Advanced technology capabilities to deliver comprehensive solutions to our customers.
- ✓ Over 2000 clients ranging from verticals like banking, government, pharmaceuticals, insurance, education, services, manufacturing, healthcare, energy, retail and telecom.
- ✓ Technology Driven Business Model

SPECIALTY CERTIFICATION



ISO-9001:2008



ISO-14001:2015



ISO-2000-1:2011



ISO-27001:2013



CMMI Level 5

WE WORK WITH

With over 20 years of experience, we'll ensure you always get the best guidance. We serve our clients at every level of their organization. We can be most trusted whether as an advisor or management coach for front line employees. We strive to build a long-term relationship of trust with every client.



RECOGNITIONS

Dynacons occupies the 455th position Drawn from far over 10 million active companies in Asia Pacific for the year 2018

Dynacons is a winner of Deloitte's Technology Fast 50 India Programme for the year 2019

Dynacons features in India's Growth Champions for the year 2020 & 2021 Ranking by *THE ECONOMIC TIMES*

Dynacons occupies the 323rd position Drawn from far over 10 million active companies in Asia Pacific for the year 2021

Dynacons wins Channel World Premier 'Hall of Fame 2021' award

"Dynacons joins the Global IT Alliance (GITA) Network

CSR ACTIVITIES



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

PUBLICATIONS



Channel World
Magazine
Cover Story



CRN Magazine



Channel World
Online

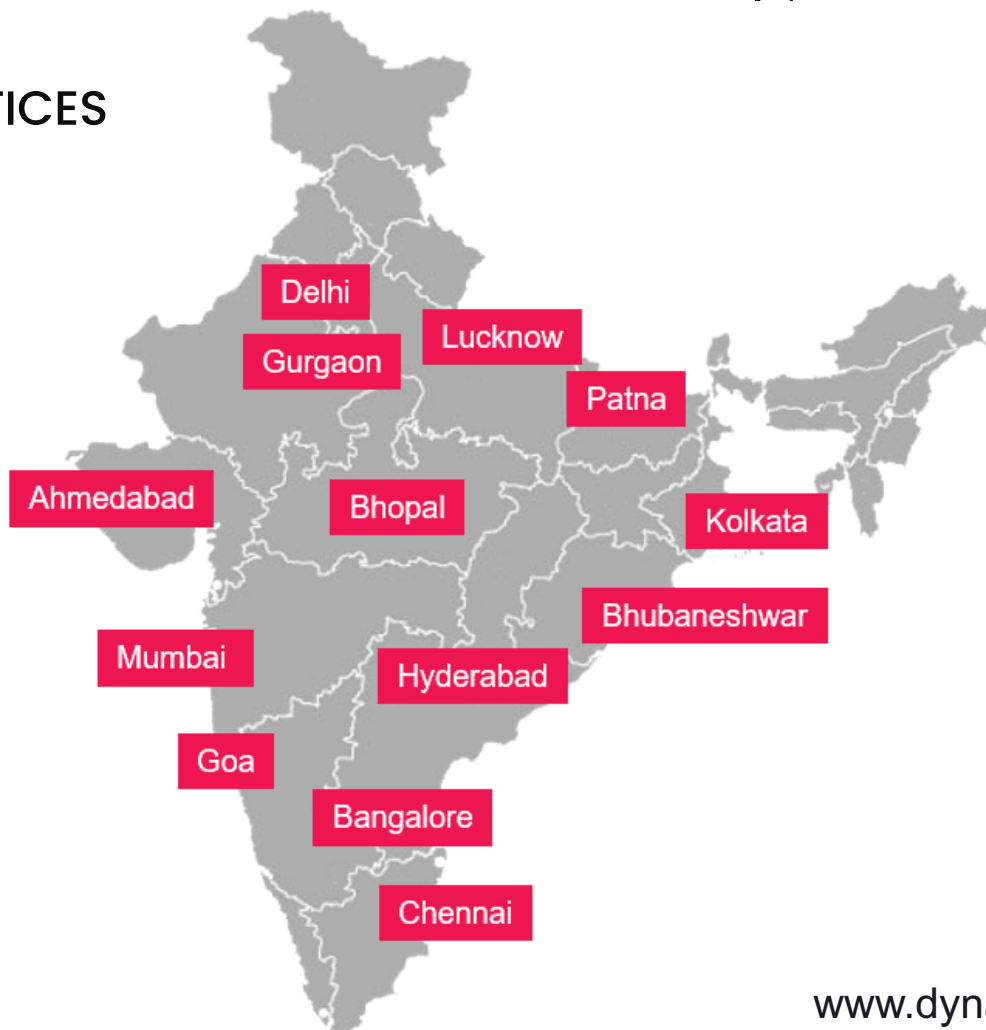


Economic Times
Coffee Table
Book

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
Bhubaneshwar	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

OUR OFFICES



OUR OFFERINGS



System Integration



Managed Services



Datacenter Solutions



Networking Solutions



Workplace Solutions



Security & Surveillance
Services



Project Management
& Execution

DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Shirish M. Anjaria	Chairman cum Managing Director
Shri. Parag J. Dalal	Executive Director
Shri. Dharmesh S. Anjaria	Executive Director
Shri. Viren Shah	Director
Shri. Dilip Palicha (Resigned w.e.f. April 22, 2021)	Director
Smt. Archana Phadke	Director
Shri. Jitesh Jain	Director

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd.,
1st Floor, Bharat Tin Works
Building, Opp. Vasant Oasis,
Makwana Road,
Marol, Andheri East,
Mumbai - 400 059.

PRINCIPAL BANKERS

Bank of Baroda

COMPANY SECRETARY

Mr. Ravishankar Singh

REGD. OFFICE

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

AUDITORS

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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 30TH, 2021 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, 2021, 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 2020-2021.
3. To appoint a Director in place of Mr. Dharmesh Anjaria (Din: 00445009), who retires from the office of Whole-Time director by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Alteration of Memorandum of Association of the Company:

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 Section 4 and 13 and other applicable provisions, if any of Companies Act, 2013 and read with Companies (Incorporation) rules, 2014 (including any statutory modification or re – enactment thereof for the time being in force), consent of the members of the Company be, and is, hereby, accorded to the alteration of Memorandum of Association of the Company in the following manner.

1. Deletion of the Clause III Part (A) heading of the Memorandum of Association and replaced by new heading as reproduced below:
 - A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:
2. Deletion of the Clause III Part (B) heading of the Memorandum of association and replaced by new heading as reproduced below:
 - B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(B) ARE:
3. Sub Clause 46 and 62 of Clause III Part (B) be replaced by new Sub Clause 45 and 61 as reproduced below:
45. In the event of winding up of the company to distribute any of the property of the company amongst themselves in cash or kind.
61. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions in their objects or purposes or for any exhibitions but not for political objects.
4. Addition of the sub clause 69,70 and 71 of Clause III Part (B) as stated below:
 69. To carry on business to invest in and to hold, sell and deal with the stocks, shares, bonds debenture stock securities of any Government, State, company, corporation, co-op. society, municipal or local or other such body or authority, financial institution and any other corporate body and to pledge and make advances upon, hold in trust, issue or commission or otherwise, dispose of any of the investments aforesaid and to act as agents, underwriters, managers to other interests in copyrights and rights of representations and any other rights of or in any plays, operas, dramas, musical compositions, songs, Cinema, or T.V. Films. Video and other Tapes or any other entertaining or educational productions either artistic or commercial.

70. To act as technical and management consultants in relation to all aspects of data processing, data processing systems, computer systems, application and system software, process Control System, Computers, Type Setting, Printing and at all the branches of computer science in India and abroad and further the to act as agents for Indian and International Firms Companies providing equipment and services in the areas of Management science and computer science and to buy, sell, import, export, hire, lease, install, maintain, and use equipment and accessories, know-how and services, software hard ware related to all the aspects of management services and computer service.
71. To carry on the business of providing solutions and services related to Web-Technologies, Internet and Ecommerce, including to design, develop, maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, licence or otherwise deal in Internet portals, Internet networks, Media Portals, Internet solutions, Internet gateways, Internet service providers, E-commerce, Web-site designing, Web based and Web enabled services and applications, E commerce service provider, E-commerce solutions, E-commerce platforms, E-commerce education, E-commerce technologies and E-business solutions.
- C. The existing Part C i.e. "OTHER OBJECTS" Clause of the Memorandum of Association of the Company be deleted and all the sub clauses of Clause III Part B shall be renumbered from 1 to 71 (both inclusive) of revised Memorandum of Association of the Company.
- D. Deletion of the Clause IV of the Memorandum of Association and replaced by new Clause IV as reproduced below:
- The liability of the member(s) is limited and this liability is limited to the amount unpaid, If any, on the shares held by them.

FURTHER RESOLVED THAT any Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

5. Increase in Borrowing Power of the Company

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

RESOLVED THAT in supersession of the earlier resolution passed by the members of the Company at the Annual General Meeting of the Company held on 29th September 2017, pursuant to, Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) or its Committee as may be authorized by the Board of Directors to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency by way of availing of long/short term loans, commercial papers, by way of issue of bonds/notes and all kinds of financial assistance, secured/unsecured from banking companies, financial institutions, bodies corporate, by way of issue of redeemable non-convertible debentures, subordinated debentures or any other security or instrument(s) on private placement basis as well as by way of public issue by all permissible methods including shelf-disclosure documents, prospectus, shelf-prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, foreign institutional investors, qualified institutional buyers, resident public financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and/or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Networth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, by way of acceptance of deposits from public, shareholders, directors, relatives of directors, HUF, resident individuals, Non-resident Indians (through NRO accounts),

trusts, firms, corporates or issuance of commercial papers, bonds, any other permissible instruments or methods of borrowing whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge or otherwise of the Company's assets and properties, whether movable or immovable notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount borrowed (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and outstanding at any point of time shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT the Board or such Committee/ or person/(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

6. Re-appointment of Mr. Jitesh Jain (Din no.: 00282797) 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, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Jitesh Jain (Din no.: 00282797), who was appointed as an Independent Director of the Company by the Board of Directors with effect from 30th September, 2016, and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Jitesh Jain (Din no.: 00282797) candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Date : September 01, 2021
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 dated January 13, 2021 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 dated January 15, 2021 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 6 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. 6 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 No. 14/2020 dated April 08, 2020, 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 22nd AGM held.
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, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of auditors at the 26th AGM.
6. As per Regulation 40 of SEBI Listing Regulations, as amended and as per SEBI in its press release dated December 03, 2018 had decided that securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had 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. In view of the above and to avail the benefits of dematerialization and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.

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 Friday, the 24th day of September, 2021 to Thursday, the 30th day of September, 2021. (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 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.
16. 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).
17. 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.
18. 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.

19. Annual Listing fees for the year 2021-2022 has been paid to all stock exchange wherein shares of the Company are listed.
20. As per the provisions of Section 72 of the Act, 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. 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.
21. 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 2020-21 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 2020-21 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.
22. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
23. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
24. **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 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 Saturday, September 25, 2021 (9:00 a.m. IST) and ends on Wednesday, September 29, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, September 23, 2021 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.nsdl.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.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. 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.

Type of shareholders	Login Method
	<p>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> <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;">  App Store  Google Play </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.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
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'?
 1. 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'.
 2. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hs@hsassociates.net, with a copy marked to evoting@nsdl.co.in.
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 remote e-voting user manual for members, available at the downloads Section of www.evoting.nsdl.com or toll free no. 1800-222-990 or send a request and 1800-22-44-30 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 for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. 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 Saturday, September 25, 2021 (9:00 a.m. IST) and ends on Wednesday, September 29, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, September 23, 2021 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, 2021.
- 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, Practicing Company Secretary (FCS No. 2827) 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 she 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 forty eight hours 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 days of the passing of the resolutions at the Twenty Sixth AGM of the Company on September 30, 2021 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	<p>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.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> 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	<p>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.</p>

D. Instructions for Attending AGM through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

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, 2021 (9:00 a.m. IST) to September 28,2021 (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. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Other Instructions

30. 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 48 hours 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.
31. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

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

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Date : September 01, 2021
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 and 6 of the accompanying Notice dated September 01, 2021.

ITEM NO. 4

The existing Memorandum of Association (MOA) are based on the Companies Act, 1956 and several regulations in the existing MOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing MOA are no longer in conformity with the Act. Hence the company is going for adoption of new set of Memorandum of Association.

Further, the Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public and private companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company as under;

1. Deletion of Clause III Part (A) heading of the Memorandum of Association and replaced by new heading as reproduced below:
 - A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:
2. Deletion of the Clause III Part (B) heading of the Memorandum of association and replaced by new heading as reproduced below:
 - B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(B) ARE:
3. Sub Clause 46 and 62 of Clause III Part (B) be replaced by new Sub Clause 45 and 61 as reproduced below:
45. In the event of winding up of the company to distribute any of the property of the company amongst themselves in cash or kind.
61. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions in their objects or purposes or for any exhibitions but not for political objects.
4. Addition of the sub clause 69,70 and 71 of Clause III Part (B) as stated below:
 69. To carry on business to invest in and to hold, sell and deal with the stocks, shares, bonds debenture stock securities of any Government, State, company, corporation, co-op. society, municipal or local or other such body or authority, financial institution and any other corporate body and to pledge and make advances upon, hold in trust, issue or commission or otherwise, dispose of any of the investments aforesaid and to act as agents, underwriters, managers to other interests in copyrights and rights of representations and any other rights of or in any plays, operas, dramas, musical compositions, songs, Cinema, or T.V. Films. Video and other Tapes or any other entertaining or educational productions either artistic or commercial.
 70. To act as technical and management consultants in relation to all aspects of data processing, data processing systems, computer systems, application and system software, process Control System, Computers, Type Setting, Printing and at all the branches of computer science in India and abroad and further the to act as agents for Indian and International Firms Companies providing equipment and services in the areas of Management science and computer science and to buy, sell, import, export, hire, lease, install, maintain, and use equipment and accessories, know-how and services, software hard ware related to all the aspects of management services and computer service.

71. To carry on the business of providing solutions and services related to Web-Technologies, Internet and Ecommerce, including to design, develop, maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, licence or otherwise deal in Internet portals, Internet networks, Media Portals, Internet solutions, Internet gateways, Internet service providers, E-commerce, Web-site designing, Web based and Web enabled services and applications, E commerce service provider, E-commerce solutions, E-commerce platforms, E-commerce education, E-commerce technologies and E-business solutions.

C. The existing Part C i.e. "OTHER OBJECTS" Clause of the Memorandum of Association of the Company be deleted and all the sub clauses of Clause III Part B shall be renumbered from 1 to 71 (both inclusive) of revised Memorandum of Association of the Company.

D. Deletion of the Clause IV of the Memorandum of Association and replaced by new Clause IV as reproduced below:

The liability of the member(s) is limited and this liability is limited to the amount unpaid, If any, on the shares held by them.

The Board at its meeting held on September 01, 2021 has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.

The Board of Directors recommends passing of the resolution set out in item no. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 5

Section 180(1) (c) of the Companies Act, 2013, provides that the Board of Directors of a public company shall not, except with the consent of the Company in General Meeting, borrow monies in excess of the Company's paid up share capital and free reserves (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business). Directors are of the view that the business would steadily grow in future as well and as a result of which, the mobilization of funds may substantially increase. Therefore, it is considered desirable to increase the limit of borrowings to Rs. 500 Crores (Rupees Five Hundred Crores Only) apart from temporary loans obtained/to be obtained by the Company from its bankers in the ordinary course of business.

The said proposal for increase in borrowing is only an enabling sanction for creation of charges/mortgages and the Management shall seek approval of the Board as and when the actual borrowings are to be made.

Your consent is required under the provisions of Sections 180(1) (c) and 180(1)(a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

The Board of Directors recommends passing of the resolution set out in item no. 5 of the Notice.

None of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

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.

Mr. Jitesh Jain, Non-executive Director of the Company, whose appointment as an Independent Director of the Company w.e.f. 30th September, 2016 for a period of 5 years will expire in the ensuing Annual General Meeting

of the Company. The Board recommended to appoint him for one more term of five years. Mr. Jitesh Jain has given a declaration to the board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The Nomination & Remuneration Committee at its Meeting held on September 01, 2021 after taking into account the performance evaluation of Mr. Jitesh Jain, Independent Director, during his first term of five years and considering the knowledge, expertise and experience and the contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association with him as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Jitesh Jain as an Independent Director on the Board of the Company, to hold office for the second term of five consecutive years till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2026 and not liable to retire by rotation.

In compliance with the provision of Section 149 of the act, the re-appointment of Mr. Jitesh Jain, as an Independent director is now being placed before the members for their approval.

A brief profile of Mr. Jitesh Jain nature of his expertise in specific functional areas and names of companies in which he hold 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. 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. Jitesh Jain.

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. Dharmesh Anjaria	Mr. Jitesh Jain
Director Identification Number (DIN)	00445009	00282797
Date of Birth	05/01/1973	31/07/1977
Date of First Appointment on the Board	01/02/2010	19/09/2015
Experience in functional Area	Mr. Dharmesh Anjaria is responsible for the Managed Services business of the Company and also handles Finance, Taxation and Corporate Affairs. He has rich exposure in the various facets of business and has a strong record of success in creating robust IT architectures and infrastructures and a proven ability to bring the benefits of IT to solve business issues while managing costs and risks	Mr. Jitesh Jain is a practising Chartered Accountant for more than a decades of varied experience in the fields of Bank, Government and Corporate Audits, Project Preparation and Reporting, Management Consultancy and Finance
Qualification	B.Com. ,A.C.A., AICWA, Intel Certified Integration Specialist	B.Com., Chartered Accountant
Directorship in other Companies(Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2020-21	Please refer Corporate Governance Report section of the Annual Report 2020-21
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. 2020-21		
Remuneration Proposed	Upto Rs. 7,50,000/- per month	N.A.
Remuneration Paid	Rs. 2,25,000 /- per month	N.A.
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and per SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.	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.**

Date : September 01, 2021
Place : Mumbai

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

Parag J. Dalal
Executive Director
DIN No: 00409894

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 Sixth** Annual Report on the business and operations of the Company for the year ended March 31, 2021.

1. Financial Highlights

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 31/03/2021	Year ended 31/03/2020
Gross Income	43,781	33,018	43,725	33,058
Profit Before Finance Cost and Depreciation and Amortisation Expenses	2,041	1,667	1,977	1,617
Provision for Depreciation and Amortisation Expenses	126	103	126	103
Profit Before Finance Cost	1,915	1,564	1,851	1,515
Finance Cost	706	758	706	758
Net Profit Before Tax	1,209	806	1,145	757
Provision for Tax	287	194	292	185
Net Profit After Tax	922	612	854	571
Balance of Profit brought forward	2,200	1,636	2,276	1,751
Balance available for appropriation	3,077	2,200	3,083	2,276

2. Management Analysis and Discussions

Company performance:

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. On the business front, your company weathered the pandemic very well. It adapted quickly and embraced a new operating model that prioritized the health and wellbeing of its employees, while enabling it to continue supporting its customers not just in their mission-critical operations but also in their growth and transformation journeys.

In this current business environment, the Company delivered exceptional results. Dynacons has historically grown much faster than the market. This was largely an outcome of greater demand for our services and solutions during the year, driven by expanding participation in our customers' growth and transformation initiatives. After the initial impact from lockdown-related disruptions, we have swiftly returned to a sharp growth trajectory over the next nine months ending the year with a growth of 33% over the last year.

As we look back at fiscal 2021, our strategic direction has yielded strong results. Our Standalone revenues of Rs. 43,781 Lakhs as compared with Rs. 33,058 Lakhs during the previous year. The profit before tax stood at Rs. 1,209 Lakhs as compared to Rs. 806 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 287 Lakhs and the profit after tax stood at Rs. 922 Lakhs for the current year, an increase of 51% over the previous year. On a consolidated basis, the revenue from operations for FY 2021 at Rs. 43,725 Lakhs was higher by 32% over the previous year (Rs. 33,058 Lakhs in FY20). The profit before tax stood at Rs. 1,145 Lakhs as compared to Rs. 757 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 292 Lakhs and the profit after tax stood at Rs. 854 Lakhs for the current year, an increase of 49% over the previous year.

Our business performance in the year gone by is also a reflection of that innate resilience and adaptability. In the early months of the pandemic, when the worldwide lockdown disrupted economic activity across virtually

all sectors, your company responded with speed and agility. 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.

Industry Overview

The year 2021 will be the year of transition. Barring any unexpected catastrophes, individuals, businesses, and society can start to look forward to shaping their futures rather than just grinding through the present. The next normal is going to be different. 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.

COVID-19 pandemic has come as a “time machine to the future. In many ways, the last year saw faster adoption of technology by enterprises and consumers than at any other time. Global impact of the Covid 19 pandemic has led to two major resets - an acceleration in the pace of digital transformation and a novel, hybrid work model that has redefined the dimensions of an already evolving workplace and work culture.

India's technology Industry is expected to record a positive growth in FY 2021. India's IT sector market is projected to reach US\$ 100 billion by 2025. While the spending showed a decline on a full year basis, technology was center-stage in enterprises' response to the pandemic-related lockdowns and thereafter. After the initial contraction due to dislocations, the need for business continuity, operational resilience and the switch to digital transactions drove strong demand for IT services over the rest of the year.

Business Overview

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. 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 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.

Our rich portfolio of service offerings span across the IT infrastructure lifecycle of Plan-Build-Run-Monitor. 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. 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.

Software and computing technology are transforming businesses in every industry around the world in a profound and fundamental way. Companies are rapidly adopting digital technologies 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. While these trends have been unfolding for a few years now, they have been accelerated because of the COVID-19 pandemic and resulting shifts. The fast pace of technology change and the need for technology professionals who are highly skilled in both traditional and digital technology areas are driving businesses to rely on third parties to realize their business transformation. Our clients have been expanding their work with us, especially in the areas of digital and cloud. The capabilities that we have built over the past several years are what large enterprises are looking for. Our market-leading capabilities in the technology space are enabling us to be a critical partner for our clients.

Our strategic objective is to build a sustainable and resilient organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable returns for our investors and contributing to the communities that we operate in. Enterprise Customers embarked on significant operating model transformations as they sought out strategic partners with strong capabilities and shared values.

Dynacons helps build impactful, customized technology and business solutions that address the customer's business problems. Further, its ability to stitch together complex, holistic solutions that address the needs of all stakeholders in the enterprise, along with the high levels of trust engendered in customer relationships, helps it win large deals. These deals bring in high quality revenues, powering growth and margins. These solutions create immense value for its customers by helping them embrace new business models, pursue new revenue streams, deliver superior customer experiences or build resilience and efficiency into their operations, and gain competitive differentiation.

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.

We are constantly investing in building newer capabilities and expanding our offerings. By cross-selling and up-selling these new offerings, customer engagements continually expand over the years, covering newer and newer areas of the enterprise's operations. 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 heart of our strategy, organization structure and investment decisions. The company invests in broadening and deepening customer relationships by continually looking for new areas in their value chain where the company can add value, proactively investing in building newer capabilities, reskilling its workforce and launching newer services, solutions, products and platforms.

Enterprises are working to improve their agility and flexibility, increase automation, and move to more realtime operations. Accelerating digital transformation efforts will likely take a rededication to improving cloud infrastructure, data and analytics capabilities, and cybersecurity. It will also likely require a renewed focus on business model transformation and ecosystem development.

Rising competitive pressures are placing a premium on speed, agility, and flexibility, with an emphasis on boosting automation, enabling real-time operations, and reimagining business models. This can be accomplished through digital transformation, which begins with a move to the cloud while also embracing critical capabilities in the areas of data and analytics, artificial intelligence, and edge computing.

Digital transformation and the cloud are synergistic. The cloud enables digital transformation, and digital transformation fuels the importance of moving to the cloud. The impetus to move to the cloud is the promise of enhanced flexibility, process optimization, and cost reduction. As a result, cloud investments are expected to double as a percentage of IT budgets over the next three years as industries seek platforms for advanced innovation, including analytics, cloud, and blockchain. We are Helping clients leverage the full breadth of cloud offerings, with success tied to specific customer outcomes.

The future of enterprise cloud strategy will be shaped by three key factors – business agility, scaled innovation and security of the ecosystem. That's why we seek to deliver for organizations the cloud's full value potential by driving these three factors through their end-to-end cloud transformation. We enable businesses to redesign the enterprise from the core, and also build new cloud-first capabilities. Hyperscaler cloud has ramifications that go beyond the current year, extending to the medium and the longer term as well. This is a decadal technology shift that goes far beyond just the server and storage aspects of the IT infrastructure and represents a crystallization of technology choices at a much broader level.

Your Company has won one of the prestigious contract worth Rs. 24.51 Crore for Supply, Installation and Maintenance of Hyper- Converged Infrastructure and Implementation of Private Cloud from one of the largest Government owned bank, Union Bank of India. The scope of Contract includes Design and Deployment of the Private Cloud Solution along with the supply, installation & configuration of Hyper Converged Infrastructure at their Datacenter at Mumbai & DR site at Bengaluru. The Private Cloud solution will deliver service models such as IaaS (Infrastructure as a Service), PaaS (Platform as a Service) and SaaS (Software as a Service). The solution components broadly include Hypervisor solution with Hyper Converged nodes, TOR – L3 switches, Private Cloud Suites for proposed HCI nodes, Software defined Networking & Security solution for proposed hardware, and DR Automation . Web-based dashboards with continuous realtime / near real-time status updates as well as relevant statistics form are also included in the scope.

As the digital transformation imperative increases adoption of cloud and AI solutions, it's essential that companies take proactive steps to manage their risk. Cloud security is a major concern for enterprises, as key challenges that should be addressed as part of digital transformation. Dynacons plays an active and collaborative role in partnering with customers over the long term, leveraging its contextual knowledge, and technology expertise to help them grow, and achieve their purpose-led transformation goals. The focus is on delivering customer centric solutions while enabling hybrid work and digital transformation. The company is investing in designing and developing the right solutions required for accelerating digital transformation.

Enterprises are increasingly moving to adopt Next Generation Data Centre Services. Our data center infrastructure management solutions ensure enhanced agility, thereby facilitating the delivery of more automated and responsive business service. With strong automation and process frameworks, end users can be assured of proficient and verified reference data center architecture-based solutions. We have a wide range of service offerings across data center management portfolio – comprising data center operations, data center transformation, data center automation, and cloud services. We help in making the Data centers ready for Digital Transformation and supports the entire lifecycle from DC transformation to modern data centers by enabling latest technology & solutions like Software Defined Infrastructure, Hybrid Cloud architecture and Hyper Converged Infrastructure.

Our Company has also won one of the contract worth Rs.30.31 Crores for Supply, Installation, Testing and Commissioning of Software for Locomotive Asset Management (SLAM) from Centre for Railway Information Systems (CRIS). The System for Locomotive Asset Management (SLAM) project is for management of Electric Locomotive for maintenance, operation, schedules planning & their execution, monitoring. This software system also envisages development of software for interlinking sheds (including out pits), divisional/Zonal headquarter, workshops, CLW, RDSO and Railway Board (Ministry of Railways). Besides management at loco sheds, it aims to provide a portal based custom built application module for providing specified functionalities to outside users including headquarters, divisions, Divisional and Headquarters power controllers (Traction Loco Controller), Research Design and Standards Organization (RDSO), POH workshops, Chitranjan locomotive Works (CLW), and Railway Board (Ministry of Railways).

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 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. 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.

Given the current business environment, IT infrastructure services have now grown in importance. They are now expected to help businesses become agile, secure, service-oriented, and capable of delivering unified experiences to end customers. Technology today is very different from what it used to be a few years ago. Digitisation today has made consumers more powerful and transformed the expectations of enterprises from IT. 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.

Customer Engagement and Value Creation

We use our domain expertise to build impactful, customized technology and business solutions that address the customer's business problems. These solutions create immense value for our customers by helping them embrace new business models, pursue new revenue streams, deliver superior customer experiences, or build resilience and efficiency into their operations, and gain competitive differentiation. 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.

Your company has been guided by a set of strong beliefs, right from the time it was founded. Belief in our core values, belief in putting the customer above all, belief in investing in people and empowering them, belief in constantly trying out new ideas and models, and belief in doing right by all the stakeholder communities we work with. 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.

Awards, Certifications and Recognitions

In Fiscal 2021 we won multiple awards and recognitions.

Dynacons' has been ranked 59th in Economic Times India's Growth Champions 2021 list of the fastest

growing companies among all Industries in India. The Economic Times India's Growth Champions 2021 list is an initiative that aims to highlight true accelerators of the Indian economy. India's Growth Champions reflects Company's mercurial growth and rising stature, which will act as a multiplier effect to further speed up growth. Given the current slowdown of global economies, a place in this ranking represents a high-profile acknowledgement of a Company's performance that extends far beyond its specific industry. The Company has delivered a solid performance in the past few years with revenues in line with expectations. Its outstanding achievements have contributed to India's growth wave, making it one of the changemakers of the nation. This one-of-a-kind ranking underlines the gold standard for growth and excellence.

Strengths

In our history spanning three decades, many moments have become the defining moments of our Company. We continually look for new areas in the customer's business where we can add value, proactively invest in building newer capabilities, and launch new offerings to participate in those opportunities. Our goal is to support our clients with the systems, tools and the skills required to excel their equities. The objective is to boost the top line, embrace new technology-enabled business models, create new revenue streams, address new customer segments or deepen existing customer relationships.

The most recent pivotal moment came when the pandemic hit India enforced one of the largest lockdowns globally, keeping 1.3 billion people indoors. The city of Mumbai, which is also the headquarters of our Company, was severely hit. During these crucial times, Dynacons continued to partner with Mumbai Municipal Corporation. We helped them set up their critical infra for Covid monitoring, including Installing VCs at various locations, setting up COVID command centre infra, and providing onsite support. It was our Proudest moment – our little contribution to the big cause.

We have built specific industry domain and technology expertise. These give us the ability to articulate and demonstrate long-term value to our clients around the world, with whom we have deep, enduring and expansive relationships. We have nurtured premier ecosystem alliances with technology majors and global companies to be able to offer holistic solutions to our clients.

We typically compete with other large, technology service providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end service capability and solutions, ability to scale, superior quality and project execution, established delivery model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

Your Company provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms. Your Company has a well-defined and scalable organizational structure based on product, territory and process knowledge, experienced and stable management team, strong relationships with banks, and investors. This helps Dynacons achieve its business goals. Dynacons has a team of specialists with experience in leveraging technology to help improve efficiency.

The Company has 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 offer end-to-end service offering capabilities in consulting, software application development, integration, maintenance, validation, enterprise system implementation, infrastructure management and business process management. We have perfected sophisticated service delivery and quality control processes, standards and frameworks, that have resulted in a track record of performance excellence and client satisfaction. We have the ability to attract and retain high-quality management, technology professionals, and sales personnel.

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 been leveraging this contextual knowledge, products and solutions and partnerships and alliances with leading technology providers, to craft unique solutions that transform our customers' businesses, and give them a competitive edge in the market. This has increased demand for the entire gamut of services, solutions, products and platforms offered by us, resulting in a stronger order book, more robust revenue growth and improved market share.

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 3 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 customercentricity, rigor in operations and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels.

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. 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.

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 FY 2022 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.

The key priorities for the technology sector included the importance of upgrading supply chains for greater transparency and resiliency; accelerating digital transformation, especially with cloud, everything-as-a-service (XaaS), and edge intelligence; and considering strategic acquisitions to bolster tech and talent capabilities. It is imperative that technology companies attract and develop talent with skills in critical areas, such as AI, robotic process automation (RPA), and cybersecurity. This includes the need for people who can weave these technologies into specific business objectives.

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

Your company is very well positioned to benefit from this multi-year technology upgradation cycle, and help customers translate their transformative visions into reality. Looking ahead, your company sees immense opportunities for growth, riding the new technology cycle that has kicked off, powered by the belief that its differentiated capabilities and collaborative, solution-centric approach makes it the preferred transformation partner of its customers. Our belief conveys our optimistic outlook and reflects our limitless potential to create better futures.

Opportunities and threats

Opportunities:

In the post- pandemic world, technology will play an ever larger role in helping enterprises adapt to the new normal and differentiate themselves. Your company is well poised to take the lead in partnering customers to recover and rebound on to their growth and transformation journeys. 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.

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. Government and the BFSI sectors are expected to lead the way and be huge buyers and these are the focus sectors for your Company.

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 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 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. The most significant learning has been to be proactive, to be agile and to be flexible. 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:

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. 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.

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.

Risks and Concerns

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 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.

The Company strategy is not dependent on any single technology or platform. 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.

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.

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

The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. 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 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.

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.

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, 2021, 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	2020-2021	2019-2020
1.	Debtors Turnover (in months)	2.80 months	3.07 months
2.	Inventory Turnover	0.10:1	0.03:1
3.	Interest Coverage Ratio	2.89:1	2.20:1
4.	Current Ratio	1.40:1	1.42:1
5.	Debt Equity Ratio	0.82:1	0.97:1
6.	Net Profit Margin (%)	2.12%	1.87%

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	2020-2021	2019-2020
Debtors Turnover (in months)	2.80 months	3.07 months
Return on Networth (%)	17.27%	15.79%

The Return on net worth increased during the year 2020-21 as compared to previous year 2019-20 because of net profit earned of Rs. 922 Lakhs in 2020-21 as against net profit earned of Rs 612 Lakhs in year 2019-20.

3. Dividend

For FY 2021, 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. 45,86,540 to be paid out of profits of the Company for the FY 2020-2021 on the equity shares to those shareholders whose names appeared in the Register of Members of the Company on cut-off date i.e. September 23, 2020. The interim dividend paid is considered as final dividend for the financial year ended March 31, 2021.

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. 5,06,65,400 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.

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, 2021.

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, however during the year under review, the Company had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into equity shares of Rs. 28 each including a premium of Rs. 18 each to promoter, promoter group and relatives of promoters, on March 10, 2021 and March 26, 2021 respectively, which were issued on a preferential basis and approval of shareholders was taken in the Annual General Meeting of the Company held on September 30, 2020.

The Company had received In-principle approval from BSE Limited and National Stock Exchange of India Limited for allotment of 19,20,000 warrants convertible into equity shares on February 25, 2021 and December 28, 2020 respectively, and In-principle approval for allotment of 16,00,000 warrants convertible into equity shares was received on March 16, 2021 from BSE Limited and National Stock Exchange of India Limited.

The Board had converted 9,60,000 warrants into Equity shares on March 31, 2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.

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. 5,06,65,400 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.

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.

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. However, 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 its next meeting.

The Company has made compliance with the same.

- 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, 2021. 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 -V

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.

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. Dharmesh Anjaria, 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.

On recommendation of Nomination & Remuneration Committee, the Board of Directors in its meeting held on September 01, 2021, had re-appointed Mr. Jitesh Jain for a period of Five years, subject to approval of Members.

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.

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/reappointments together with requisite disclosures are set out in the Notice of the ensuing 26th 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.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

Pursuant to the provisions of Section 203 of the Act, there has been no change in the key managerial personnel during the year.

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- IV

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, M/s. MSP & Co., Chartered Accountants, (ICAI Firm Registration No. 107565W) had been appointed as the statutory auditors of the Company, for a term of five consecutive years, at the AGM held in the year 2017. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of auditor by the shareholders at every Annual General Meeting with effect from May 07, 2018. Hence, the approval of the members is not being sought for the re-appointment of the Auditors in line with the resolution passed for their appointment at the 22nd AGM held on September 29, 2017.

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. 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, 2021 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.

14. 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.

15. 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.

16. 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.

17. 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,

18. 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 2014.

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

The ability to attract, motivate, develop and retain talent is critical to our continued success. 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 progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential

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. A robust Talent Acquisition system enables the Company to balance unpredictable business demands with a predictable resource supply through organic and inorganic growth. 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.

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.

Continual pursuit to connect with our employees on a regular basis, communicate in an open and transparent manner, and progressive HR policies are yielding desired results. We focus on promoting a collaborative, transparent and participative organization culture, and rewarding individual contribution and innovation.

The number of people employed during the year ended on March 31, 2021 were 1026.

20. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, M/s. HS Associates, Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y. 2020-2021. 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. 2020-2021 in Form MR-3 is annexed to this report as Annexure-II.

21. 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 31st March, 2021 does not contain any qualifications, reservations or adverse remarks. The Auditors' Report to the members on the Accounts of the Company and the for the financial year ended 31st March, 2021, does not contain any qualifications, reservations or adverse remarks. The observations of the Secretarial Auditors and Management's reply to the same is as under:

1. Pursuant to the provisions of Regulation 44(3) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Company delayed the submission of Voting Results from the conclusion of the 25th Annual General Meeting of the Company held on 30th September, 2020.

Board's Response- October 02, 2020, being a National holiday, Voting Result for the 25th Annual General Meeting held on September 30, 2020 was submitted by the Company on October 03, 2020.

22. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2020 was Rs. 9,17,30,800 divided into 91,73,080 equity shares of Rs. 10 each which has increased to Rs. 10,13,30,800 divided into 1,01,33,080 Equity shares of Rs. 10 each as on March 31, 2021, since the Company had converted 9,60,000 warrants into Equity shares issued on preferential basis for Rs. 28 each (including a premium of Rs. 18 each) on March 31, 2021.

23. 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
- d. Preferential issue: The Company had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into equity shares of Rs. 28 each including a premium of Rs. 18 each to promoter, promoter group and relatives of promoters, on March 10, 2021 and March 26, 2021 respectively, which were issued on a preferential basis and approval of shareholders was taken in the Annual General Meeting of the Company held on September 30, 2020.

24. 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.

25. 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.

26. 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.

27. 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 31st March, 2021 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. 1187.66 Lakhs (previous year 2464.71 Lakhs)

Foreign Exchange Outgo : Rs. 1037.25 Lakhs (previous year 352.40 Lakhs)

28. 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.

29. Number of Meetings of the Board

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

30. 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.

31. 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.

32. 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.

33. Composition of Audit Committee

The Audit Committee comprises of three directors namely, Mr. Jitesh Jain, Mr. Viren Shah and *Mr. Dilip Palicha.

*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.

34. 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/wpcontent/uploads/2020/08/Vigil-mechanism-policy-DSSL-Final.pdf>.

35. 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.

36. 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 2020-21 is annexed to this report as Annexure-VI.

37. Extract of 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-9 as a part of this Annual Report annexed as Annexure-I. The same is also available on the website of the company at the web link: <http://dynacons.com/investors/>

38. 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.

39. 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 III.

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/Policy%20on%20Related%20Party%20Transactions.x24892.pdf>

40. 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.

41. 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.

42. 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 01, 2021

Place: Mumbai

Annexure I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2021

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L72200MH1995PLC093130
2.	Registration Date	26/09/1995
3.	Name of the Company	DYNACONS SYSTEMS & SOLUTIONS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (WEST), MUMBAI - 400056.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED, 1 ST FLOOR, BHARAT TIN WORKS BUILDING, OPP. VASANT OASIS, MAKWANA ROAD, MAROL, ANDHERI EAST, MUMBAI - 400059. Email Id: rajeshm@bigshareonline.com Tel. No.: 022 62638200/206
8.	E-mail Id	investor@dynacons.com
9.	Telephone number	022-66889900

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Systems Integration	6202	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE
1	Dynacons Systems & Solutions Pte Ltd.	201707647W	Subsidiary Company

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	3748509	0	3748509	40.86	4708509	0	4708509	46.46	5.60
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	486475	0	486475	5.30	486475	0	486475	4.80	(0.50)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	4234984	0	4234984	46.17	5194984	0	5194984	51.27	5.10
(2) Foreign									
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total A2	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter Group A(1+2)	4234984	0	4234984	46.17	5194984	0	5194984	51.27	5.10
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	280	0	280	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Foreign portfolio Investors	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	280	0	280	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	116811	0	116811	1.27	98228	0	98228	0.97	(0.30)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2726824	39140	2765964	30.15	2601445	39140	2640585	26.06	(4.09)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1571367	0	1571367	17.13	1672731	0	1672731	16.51	0.62
c) Others (specify)									
Non Resident Indians	233795	0	233795	2.55	221389	0	221389	2.18	(0.37)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	20576	0	20576	0.22	59830	0	59830	0.59	0.37
Trusts	0	0	0	0	0	0	0	0	0
Hindu Undivided Family(HUF)	229303	0	229303	2.50	245333	0	245333	2.42	(0.08)
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	4898676	39140	4937816	53.83	4898956	39140	4938096	48.73	(5.10)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4898956	39140	4938096	53.83	4898956	39140	4938096	48.73	(5.10)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9133940	39140	9173080	100.00	10093940	39140	10133080	100.00	0

Note- The Board had converted 9,60,000 warrants into Equity shares on March 31,2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.

B) Shareholding of Promoter (including Promoter Group):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2020			Shareholding at the end of the year 31.03.2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHIRISH M. ANJARIA	840948	9.17	0	1160948	11.46	0	2.29
2	DHARMESH S. ANJARIA	636220	6.94	0	956220	9.43	0	2.49
3	PARAG J. DALAL	627200	6.84	0	947200	9.35	0	2.51
4	NILAM S. ANJARIA	364602	3.97	0	364602	3.60	0	(0.37)
5	JIGNA D. ANJARIA	211463	2.31	0	211463	2.09	0	(0.22)
6	DEVANGI PARAG DALAL	189640	2.07	0	189640	1.87	0	(0.20)
7	HASUMATI DALAL	64816	0.71	0	64816	0.64	0	(0.07)
8	SHIRISH M. ANJARIA (H.U.F)	253543	2.76	0	253543	2.50	0	(0.26)
9	TRIGEM INFOSOLUTIONS LIMITED	486475	5.30	0	486475	4.80	0	(0.50)
10	PARAG J. DALAL (H.U.F)	310077	3.38	0	310077	3.06	0	(0.32)
11	DHARMESH S. ANJARIA (H.U.F.)	250000	2.73	0	250000	2.47	0	(0.26)
12	PANKTI DALAL	0	0	0	0	0	0	0
13	DHVANI DALAL	0	0	0	0	0	0	0
	Total	4234984	46.17	0	5194984	51.27	0	5.10

Note- The Board had converted 9,60,000 warrants into Equity shares on March 31,2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.

C) Change in Promoters' (including Promoter Group) Shareholding:

Sr. No.	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SHIRISH M. ANJARIA	At the beginning of the year	840948	9.17	840948	9.17
		Increase/Decrease	320000	2.29	320000	2.29
		At the end of the year	1160948	11.46	1160948	11.46
2	DHARMESH S. ANJARIA	At the beginning of the year	636220	6.94	636220	6.94
		Increase/Decrease	320000	2.49	320000	2.49
		At the end of the year	956220	9.43	956220	9.43
3	PARAG J. DALAL	At the beginning of the year	627200	6.84	627200	6.84
		Increase /Decrease	320000	2.51	320000	2.51
		At the end of the year	947200	9.35	947200	9.35
4	NILAM SHIRISH ANJARIA	At the beginning of the year	364602	3.97	364602	3.97
		Increase/Decrease	Nil	(0.37)	Nil	(0.37)
		At the end of the year	364602	3.60	364602	3.60
5	JIGNA D ANJARIA	At the beginning of the year	211463	2.31	211463	2.31
		Increase/Decrease	Nil	(0.22)	Nil	(0.22)
		At the end of the year	211463	2.09	211463	2.09
6	DEVANGI PARAG DALAL	At the beginning of the year	189640	2.07	189640	2.07
		Increase/Decrease	Nil	(0.20)	Nil	(0.20)
		At the end of the year	189640	1.87	189640	1.87
7	HASUMATI DALAL	At the beginning of the year	64816	0.71	64816	0.71
		Increase/Decrease	Nil	(0.07)	Nil	(0.07)
		At the end of the year	64816	0.64	64816	0.64
8	SHIRISH M. ANJARIA (H.U.F)	At the beginning of the year	253543	2.76	253543	2.76
		Increase/Decrease	Nil	(0.26)	Nil	(0.26)
		At the end of the year	253543	2.50	253543	2.50
9	TRIGEM INFOSOLUTIONS LIMITED	At the beginning of the year	486475	5.30	486475	5.30
		Increase/Decrease	Nil	(0.50)	Nil	(0.50)
		At the end of the year	486475	4.80	486475	4.80
10.	PARAG J. DALAL (H.U.F)	At the beginning of the year	310077	3.38	310077	3.38
		Increase/Decrease	Nil	0.32	Nil	0.32
		At the end of the year	310077	3.06	310077	3.06
11.	DHARMESH S. ANJARIA (H.U.F)	At the beginning of the year	250000	2.73	250000	2.73
		Increase/Decrease	Nil	(0.26)	Nil	(0.26)
		At the end of the year	250000	2.47	250000	2.47
12.	PANKTI DALAL	At the beginning of the year	0	0	0	0
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	0	0	0	0
13.	DHVANI DALAL	At the beginning of the year	0	0	0	0
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	0	0	0	0

Note- The Board had converted 9,60,000 warrants into Equity shares on March 31,2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.

**D) Shareholding Pattern of top ten Shareholders: -
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	*Name of top ten shareholder	Shareholding at the beginning of the year as on 01.04.2020		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Niraj Deepak Dalal	440000	4.80	0	(0.46)	440000	4.34
2	Tejal Sandeep Parikh	440000	4.80	0	(0.46)	440000	4.34
3	Jagannath D Devadiga	110876	1.21	9943	(0.09)	120819	1.19
4	Bhavinkumar Ramanlal Panchal	91100	0.99	14964	0.06	106064	1.05
5	Deepinder Singh Poonian	31877	0.35	58948	0.55	90825	0.90
6	Shashi Bhala	63346	0.69	(63346)	(0.69)	0	0
7	Krishna Rao Kallapalli	0	0	57550	0.57	57550	0.57
8	Shyamsunder Gupta	37999	0.41	19367	0.16	57366	0.57
9	Vishal Chapper	49349	0.54	0	(0.05)	49349	0.49
10	S R Gupta	29100	0.32	19918	0.16	49018	0.48
11	Mastermind Financial Services Pvt. Ltd.	40000	0.44	0	(0.05)	40000	0.39
12	Kishore Pratapsinh Kajaria	38714	0.42	0	(0.04)	38714	0.38
13	Rajshree Kishore Kajaria	37067	0.40	0	(0.03)	37067	0.37

*Note: The above details are given as on 31st March, 2021. The Board had converted 9,60,000 warrants into Equity shares on March 31, 2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same. The Company is listed and 99.57% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations.

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year as on 01.04.2020		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Shirish Anjaria (Chairman cum Managing Director)	840948	9.17	320000	2.29	1160948	11.46
2	Mr. Dharmesh Anjaria (Whole-time director)	636220	6.94	320000	2.49	956220	9.43
3	Mr. Parag Dalal (Whole-time director)	627200	6.84	320000	2.51	947200	9.35
4	*Mr. Dilip Palicha (Independent Director)	-	-	-	-	-	-
5	Mr. Viren Shah (Independent Director)	-	-	-	-	-	-
6	#Mrs. Archana Phadke (Independent Director)	80	-	-	-	80	-
7	Mr. Jitesh Jain (Independent Director)	-	-	-	-	-	-
8	Mr. Ravi Singh (Company Secretary & Compliance Officer)	-	-	-	-	-	-

Note- The Board had converted 9,60,000 warrants into Equity shares on March 31,2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.

*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.

F) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,520.73	-	-	3,520.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,520.73	-	-	3,520.73
Change in Indebtedness during the financial year				
* Addition	367.29	333.00	-	700.29
* Reduction	(173.00)	(2.30)	-	(175.29)
Net Change	194.29	330.70	-	525.00
Indebtedness at the end of the financial year				
I) Principal Amount	3,715.02	330.70	-	4,045.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,715.02	330.70	-	4,045.72

IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

Sr. No.	Particulars of Remuneration	Name			Total
		Mr. Shirish M. Anjaria	Mr. Parag J. Dalal	Mr. Dharmesh S. Anjaria	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	27,00,000	27,00,000	84,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	30,00,000	27,00,000	27,00,000	84,00,000
	Ceiling as per the Act	84,00,000	84,00,000	84,00,000	2,52,00,000

B. REMUNERATION TO OTHER DIRECTORS- Sitting fees

The details of sitting fees/remuneration paid to the Directors for the year 2020-2021 are as

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	20,000	0	0	20,000
3	Mr. Viren Shah	20,000	0	0	20,000
4	Mrs. Archana Phadke	20,000	0	0	20,000

During the year 2020-2021, 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 for the F.Y. 2020-2021. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Ravi Singh	CFO#	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	1,80,000	0	1,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	1,80,000	0	1,80,000

Mr. Dharmesh S. Anjaria is Whole time Director & CFO of the Company. His salary is shown in para XIA of the form as salary of Whole time Director & CFO.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure II 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 31st MARCH, 2021

To,
The Members,
DYNACONS SYSTEMS & SOLUTIONS LIMITED
CIN: **L72200MH1995PLC093130**
78, Ratnajyot Industrial Estate, Irla Lane
Vile Parle (W),
Mumbai- 400056.

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 limited verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2021, 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 and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- 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. Except as mentioned elsewhere in this Report, the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned below:

- i) The Information Technology Act, 2000 and the Rules made thereunder.
- ii) The Indian Copy Right Act, 1957
- iii) The Patents Act, 1970
- iv) The Trade Marks Act, 1999

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

- i) Secretarial Standards 1 and 2 as issued and revised by the Institute of Company Secretaries of India with effect from 1st October, 2017.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

During the year under review, the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned elsewhere in this report, subject to the following observation(s):

1. Pursuant to the provisions of Regulation 44(3) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Company delayed the submission of Voting Results from the conclusion of the 25th Annual General Meeting of the Company held on 30th September, 2020;

We further report that:

The Board of Directors of the Company have a balance of Executive Directors and Non-Executive 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 Annual General Meeting of the Company for the Financial Year Ended 31st March, 2020 was held on 30th September, 2020 through Video Conferencing / Other Audio-Visual Means (VC/OAVM) in view of Outbreak of COVID-19 Pandemic and the relevant MCA and SEBI circulars.
2. The Company has confirmed and paid Interim dividend as Final Dividend of Rs. 0.50/- per share for the year ended 31st March, 2020 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.
3. Mr. Shirish Anjaria (DIN: 00444104), who retired from the office of Chairman cum Managing Director by rotation was re-appointed as the Chairman cum Managing Director;
4. The Company obtained shareholders' approval for alteration of Share Capital and variation of rights clause of Articles of Association of the Company

5. The Company obtained shareholders' approval for 'Dynacons- Employees Stock Option Plan 2020' and approval to extend 'Dynacons- Employees Stock Option Plan 2020' to the employees of Holding Company and its Subsidiary Companies(ies). Further the Company obtained shareholders' approval for grant of options to issue securities equal to or exceeding One percent but not exceeding two percent of the issued Company during any one financial year to identified employees under Dynacons – Employees Stock Option Plan 2020.
6. The Company has obtained shareholders' approval for re-appointment of Mrs. Archana Vinayak Phadke (DIN: 07138774) as an Independent Director for a second term of five consecutive years till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2025 w.e.f 30th September, 2020.
7. There is delay in submission of Annual Performance Report in ODI Part II for the financial 2019-20 under FEMA Regulations, 1999.
8. 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.
9. The Company allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into equity shares of Rs. 28 each including a premium of Rs. 18 each to promoter, promoter group and relatives of promoters, on March 10, 2021 and March 26, 2021 respectively, which were issued on a preferential basis and approval of shareholders was taken in the Annual General Meeting of the Company held on September 30, 2020.

Further, the Company received In-principle approval from BSE Limited and National Stock Exchange of India Limited for allotment of 19,20,000 warrants convertible into equity shares on February 25, 2021 and December 28, 2020, respectively, and In-principle approval for allotment of 16,00,000 warrants convertible into equity shares was received on March 16, 2021, from BSE Limited and National Stock Exchange of India Limited. During the Year the Board converted 9,60,000 warrants into Equity shares on March 31, 2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.

This report is to be read with our letter of even date which is annexed as Annexure – A and forms an integral part of this report.

Date : September 01, 2021
Place : Mumbai
ICSI UDIN: F002827C000871277

For HS Associates
Company Secretaries

Hemant Shetye
Partner
FCS No.: 2827
CP No.: 1483

Annexure A

To
The Members,
Dynacons Systems & Solutions Limited
CIN: L72200MH1995PLC093130
78, Ratnajyot Industrial Estate, Irla Lane,
Vile Parle (W), Mumbai-400056

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.
7. This report is based on the data received from the company partially through electronic mode as physical verification of the data and corresponding documents could not be accessed during the course of audit due to the ongoing lockdown on account of COVID-19 pandemic.

For HS Associates
Company Secretaries

Hemant Shetye
Partner
FCS No.: 2827
CP No.: 1483

Date: September 01, 2021
Place: Mumbai
ICSI UDIN: F002827C000871277

Annexure III 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, 2021, 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, 2021.

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 01, 2021

Place: Mumbai

ANNEXURE IV 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	22.27
Parag Dalal	20.04
Dharmesh Anjaria	20.04

- (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	Nil
Parag Dalal	Nil
Dharmesh Anjaria	Nil

- (c) **The percentage increase in the median remuneration of employees in the financial year: (1.32%)**

Note: Percentage in bracket represents negative percentage.

- (d) **The number of permanent employees on the rolls of company: 1026**

- (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 2019-20 was 7%. Percentage increase in the managerial remuneration for the year was Nil.

- (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 endeavours 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 than one crore 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 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 01, 2021

Place: Mumbai

Annexure - V

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):

Sr. 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	10576
6.	Total assets	35178
7.	Total Liabilities	16924
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(12069)
11.	Provision for taxation	-
12.	Profit after taxation	(12069)
13.	Proposed Dividend	0
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 01, 2021

Place: Mumbai

Annexure - VI**REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21**

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/CSR%20Policy-DSSL-010420219.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.556.21 Lakhs/-
6. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):Rs.11.12 Lakh/-
7. Details of CSR spent during the financial year 2020-21.
- (a) Total amount spent in the financial year: Rs. 11.15 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. 11.12 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
11.15	Nil	-	-	Nil	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Amount for the Project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	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)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.) In Lakhs	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration No.
1	Contribution for Schedule VII activities	(i) and (ii)	Yes	Maharashtra	Mumbai and Thane	0.65	Yes	-	-
2	Lion Club of Juhu Service fund	(ii)	Yes	Maharashtra	Mumbai	1.00	Yes	-	-
3	Amount paid to Josh Foundation for providing hearing aids for hearing impaired children	(i)	Yes	Maharashtra	Mumbai	5.50	Yes	-	-
4	Amount paid to Ahemdabad Cancer Foundation for providing healthcare	(i)	No	Gujarat	Ahemdabad	4.00	Yes	-	-
	Total					Rs. 11.15			

- (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.11.15 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.	FY- 2019-2020	Nil	4.82	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
 Chairman of Corporate Social
 Responsibility committee
Din No.:07138774

Parag Dalal
 Executive Director
Din no.: 00409894

Date: September 01, 2021

Place: Mumbai

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021.

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 behaviour 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 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) 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.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2021, none of the Independent Directors of the Company served as an Independent Director in more than seven 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 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, **Eleven** Board Meetings were held on April 24, 2020, June 01, 2020, July 31, 2020, September 03, 2020, September 15, 2020, November 12, 2020, January 12, 2021, February 12, 2021, March 10, 2021, March 26, 2021 and March 31, 2021.

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 read with Section 149(6) of the Act. 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 are 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 as 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, 2020	No. of Board Meetings Attended	No. of other Directorships	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	Chairman cum Managing Director	Yes	11	0	0	0	Nil
Mr. Parag J. Dalal Din.:00409894	Executive & Whole-time Director	Yes	11	0	0	0	Nil
Mr. Dharmesh S. Anjaria Din.:00445009	Executive & Whole-time Director	Yes	11	0	0	0	Nil
*Mr. Dilip P. Palicha Din.:02879480	Non-Executive & Independent Director	Yes	9	0	2	*1	Nil
Mr. Viren C. Shah Din.:02886221	Non-Executive & Independent Director	Yes	9	0	2	0	Nil
Mr. Jitesh J. Jain Din.:00282797	Non-Executive & Independent Director	Yes	9	0	2	1	Nil
§Mrs. Archana V. Phadke Din.:07138774	Non-Executive & Independent Director	Yes	6	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 Listing Regulations. 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 2020-2021, 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.

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:

Name of the Director	Area of Expertise
Shirish Anjaria	<ul style="list-style-type: none"> • Leadership / Operational experience • Strategic Planning • Industry Experience • Global Business • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Parag Dalal	<ul style="list-style-type: none"> • Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation • Global Business • Risk Management • Corporate Governance
Dharmesh Anjaria	<ul style="list-style-type: none"> • Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation • Global Business • Financial, Regulatory / Legal & Risk Management • Corporate Governance
*Dilip Palicha	<ul style="list-style-type: none"> • Leadership experience • Strategic Planning • Industry Experience • Financial, Regulatory / Legal & Risk Management • Corporate Governance
Viren Shah	<ul style="list-style-type: none"> • Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation • Corporate Governance
Jitesh Jain	<ul style="list-style-type: none"> • Leadership experience • Strategic Planning • Industry Experience • Financial, Regulatory / Legal & Risk Management • Corporate Governance
#Archana Phadke	<ul style="list-style-type: none"> • Leadership / Operational experience • Industry Experience, • Financial, Regulatory / Legal & Risk Management • Corporate Governance

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.

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.

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. Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.

The Committee is presently chaired by Mr. Jitesh Jain, Chartered Accountant. The Audit Committee met **Ten** times during the financial year 2020-2021 on April 24, 2020, July 31, 2020, September 03, 2020, September 15, 2020, November 12, 2020, January 12, 2021, February 12, 2021, March 10, 2021, March 26, 2021 and March 31, 2021. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

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

Name of the Director	Category	No. of Meetings attended
Mr. Jitesh Jain	Non-Executive & Independent Director	9
Mr. Viren Shah	Non-Executive & Independent Director	9
*Mr. Dilip Palicha	Non-Executive & Independent Director	8

***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 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 previous AGM of the Company was held on September 30, 2020 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 were Mr. Dilip Palicha, Mr. Viren Shah, Mr. Jitesh Jain. The Committee is chaired by Mr. Viren Shah. The Nomination and Remuneration committee met once during the year. Company Secretary of the Company acted as the Secretary to the Committee.

The members of the Nomination and remuneration committee met once during the year on September 03,2020.

The previous AGM of the Company was held on September 30, 2020 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>

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 Executive Directors is decided by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the company's performance vis-à-vis the industry performance, track record of the Executive Directors.

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	1
*Mr. Dilip Palicha	Non-Executive & Independent Director	1
Mr. Jitesh Jain	Non-Executive & Independent Director	1

Details of Remuneration to the Executive Directors for the year ended March 31, 2021 (in Rs.)

Name of Director	Salary
Mr. Shirish Anjaria, Chairman cum Managing Director	30,00,000
Mr. Parag Dalal, Whole time Director	27,00,000
Mr. Dharmesh Anjaria, Whole time Director & Chief Financial Officer (CFO)	27,00,000

The Company has not issued any Stock options to the Directors. Except Ms. Archana Phadke, other Independent Directors of the Company have disclosed that they do not hold any Equity Shares of the Company. There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

***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.

5. 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 *Mr. Dilip Palicha. Mr. Ravishankar Singh, Company Secretary of the Company is the Compliance Officer of the Company. 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	0
*Mr. Dilip Palicha	Non-Executive & Independent Director	1
Mr. Jitesh Jain	Non-Executive & Independent Director	1
#Mrs. Archana Phadke	Non-Executive & Independent Director	1

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.

The Stakeholder's Relationship Committee met once during the year on March 10, 2021.

The previous AGM of the Company was held on September 30, 2020 and was attended by Mr. Dilip Palicha, Chairman 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, Nil complaints were received from shareholders/investors as on 31.03.2021,

The numbers of pending share transfers as on March 31, 2021 were Nil.

6. 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 twice during the year on July 31, 2020 and March 26, 2021.

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	2
Mr. Shirish Anjaria	Chairman cum Managing Director	2
Mr. Parag Dalal	Executive Director	2
Mr. Dharmesh Anjaria	Executive Director	2

7. 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, 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 2020-2021.

***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.

8. 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 16, 2021, 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.

9. 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>

10. 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 2020-2021, 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 2020-2021 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	20,000	0	0	20,000
3	Mr. Viren Shah	20,000	0	0	20,000
4	Mrs. Archana Phadke	20,000	0	0	20,000

11. 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.

12. 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.

13. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed	Details of special resolution proposed to be conducted through postal ballot
2018	September 29, 2018	02:30 P.M.	Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai 400058	Nil	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot

2019	September 30, 2019	02:30 P.M.	Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai 400058	Number of Special Resolutions passed: 3 Details of Special Resolution are as follows: 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	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot
2020	September 30, 2020	03:00 P.M.	The 25 th Annual General Meeting of the Company was held by means of video conferencing ("VC") / other audio visual means ("OAVM") on account of outbreak of COVID-19 (Coronavirus) pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs	Number of Special Resolutions passed: 6 Details of Special Resolution are as follows: 1. Issue of Warrants convertible into Equity shares to Promoter and Promoter Group/relatives of promoter, of the Company on Preferential basis. 2. Alteration of Share capital and variation of rights clause of Articles of Association of the Company 3. Approval of 'Dynacons-Employees Stock Option Plan 2020' 4. To extend approval of 'Dynacons- Employees Stock Option Plan 2020' to the employees of Holding Company and its Subsidiary Company (ies) 5. Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Two per cent of the issued Capital of the Company during any One financial year to identified employees under Dynacons-Employees Stock Option Plan 2020 6. Re-appointment of Mrs. Archana Vinayak Phadke (Din no.: 07138774) as an Independent Director	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot

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

14. CODE OF CONDUCT

The Board of Directors has laid down Code of conduct for all Board Members 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 – <http://dynacons.com/Code%20of%20conduct.pdf> The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management.

15. SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

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 ensures 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.

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.

17. 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 Indian Accounting Standards (Ind AS) and as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.. 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 its 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 capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital.

f) The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behaviour.

g) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director & CFO. 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

h) 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>

i) Shareholders

(i) Mr. Dharmesh Anjaria, 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.

j) Auditors' certificate on corporate governance

As required by Schedule V of the Listing Regulations, the certificate on corporate governance issued by HS Associates, Practicing Company Secretaries, Mumbai, is enclosed as an Annexure to the Board's Report.

k) The Board of Directors has approved a policy for determining materiality of events and making disclosures to Stock Exchanges.

- l) 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.
- m) The Company has not raised funds through qualified institutions placement under Regulation 32(7A) of the Listing Regulations, however, the Company had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into equity shares of Rs. 28 each including a premium of Rs. 18 each to promoter, promoter group and relatives of promoters, on March 10, 2021 and March 26, 2021 respectively, which were issued on a preferential basis and approval of shareholders was taken in the Annual General Meeting of the Company held on September 30, 2020.
- The Company had received In-principle approval from BSE Limited and National Stock Exchange of India Limited for allotment of 19,20,000 warrants convertible into equity shares on February 25, 2021 and December 28, 2020, respectively, and In-principle approval for allotment of 16,00,000 warrants convertible into equity shares was received on March 16, 2021, from BSE Limited and National Stock Exchange of India Limited.
- The Board had converted 9,60,000 warrants into Equity shares on March 31, 2021 for which the Company received listing approval from BSE Limited and National Stock Exchange of India Limited on June 11, 2021 and May 12, 2021 respectively and Trading approval from BSE Limited and National Stock Exchange of India Limited on June 22, 2021 for the same.
- n) No equity shares were suspended from trading during the Financial Year 2020-21.
- o) The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts during the Financial Year 2020-2021; however, the Company had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into equity shares of Rs. 28 each including a premium of Rs. 18 each to promoter, promoter group and relatives of promoters, on March 10, 2021 and March 26, 2021 respectively, which were issued on a preferential basis and approval of shareholders was taken in the Annual General Meeting of the Company held on September 30, 2020.
- p) 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 the Practicing Company Secretary is annexed to this Report.
- q) In the financial year 2020-2021 the board has accepted all recommendations of its Committees.
- r) 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
1	Statutory Audit Fees	9,00,000
2	Tax Audit Fees	-
3	Others	-
4	Total	9,00,000

- s) The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.
- t) 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.
- u) The Company has adopted Policy on Determination of Materiality under Regulation 30 of SEBI Listing Regulations, which is disclosed on the Company's website.

v) Discretionary Requirements

1. The auditors' report on financial statements of the Company are unqualified.

w) 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-subsidiaries.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.

- x) 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>.
- y) 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, 2021, on September 15, 2020, and paid to all shareholders eligible as on record date September 23, 2020. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2021. 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>.

18. 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.

19. 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.

20. 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.

21. MEANS OF COMMUNICATION

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

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 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, 2021.

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.

22. GENERAL SHAREHOLDER INFORMATION

22.1 Annual General Meeting:-

- Date and Time
- Venue

September 30, 2021 at 03.00 P.M

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 and January 13, 2021 and 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.

22.2 Financial Calendar: -

April'20 – March'21

22.3 Book Closure Date/Record Date

As mentioned in the Notice of this AGM

22.4 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, 2021, on September 15, 2020, and paid to all shareholders eligible as on record date September 23, 2020. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2021.

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

Name and address of stock exchange:	Code Nos.
The BSE Ltd., Mumbai 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	532365
National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G,	DSSL

Bandra Kurla Complex
Bandra (East), Mumbai 400 051

- (b) Listing of Global Depository Receipts N. A.
- (c) Demat ISIN numbers in NSDL & CDSL INE417B01040
- (d) Annual listing fees for the year 2021-2022 have been duly paid to all the above Stock Exchanges.
- (e) Corporate Identification Number (CIN) L72200MH1995PLC093130

22.6 Stock Market Data

	Bombay Stock Exchange (BSE) (in Rs.)			National Stock Exchange (NSE) (in Rs.)		
	Month's high price	Month's low price	Volume (No. of shares)	Month's high price	Month's low Price	Volume (No. of shares)
April 2020	21.01	15.06	18745	21.20	15.15	87320
May 2020	19.45	15.55	13357	19.80	15.45	55040
June 2020	26.75	17.00	25936	26.90	16.00	157226
July 2020	25.20	20.35	40297	25.60	20.10	164871
Aug 2020	31.00	22.30	110113	31.25	21.10	302222
Sep 2020	31.35	24.60	127562	31.55	24.25	270389
Oct 2020	54.60	28.75	340480	54.85	28.75	1569807
Nov 2020	48.00	34.10	152335	47.45	34.00	498361
Dec 2020	86.10	41.55	748982	85.50	41.10	2955848
Jan 2021	72.50	53.90	242390	72.30	52.90	972644
Feb 2021	71.00	56.00	148174	70.85	54.45	622954
Mar 2021	79.90	63.20	360220	78.65	63.10	1561582

22.7 Registrar and transfer Agents:

Bigshare Services Pvt. Ltd.

SEBI Regn. No. INR 00001385
1st Floor Bharat Tin Works
Building, Opp. Vasant Oasis,
Makwana Road,
Marol, Andheri East,
Mumbai- 400059
Tel : 022 – 62638200/206
Fax: 022 – 62638299
Email id- info@bigshareonline.com
Website- bigshareonline.com

22.8 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. 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.

22.9 Distribution of Shareholding as on March 31, 2021

No. of Equity Shares	No. of Folios	% of Total	No. of Shares	% of Total
1-500	11020	89.41	1136559	11.22
501-1000	556	5.17	440909	04.35
1001-2000	271	2.47	412970	04.08
2001-3000	95	0.82	242341	02.39
3001-4000	51	0.55	182584	01.80
4001-5000	21	0.24	98463	00.97
5001-10000	48	0.40	360901	03.56
10001-9999999999	57	0.51	7258353	71.63
Total	12119	100.00	10133080	100.00

Note- The Company in the Board meeting held on 10.03.2021 and 26.03.2021 had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into Equity shares for Rs. 28 each (including premium of Rs. 18 each), issued on preferential basis.

The Board had converted 9,60,000 (Nine Lakh Sixty Thousand) warrants into Equity shares on 31.03.2021 for which the Company received listing approval from BSE Limited on 11.06.2021 and National Stock Exchange of India Limited on 12.05.2021 and Trading approval from BSE Limited and National Stock Exchange of India Limited on 22.06.2021 for the same.

22.10 Shareholding of Directors

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	1160948	11.46
2.	Mr. Dharmesh Anjaria	956220	9.44
3.	Mr. Parag Dalal	947200	9.35
4.	Mr. Dilip Palicha	Nil	Nil
5.	Mr. Viren Shah	Nil	Nil
6.	Mrs. Archana Phadke	80	0.00
7.	Mr. Jitesh Jain	Nil	Nil

Note- The Company in the Board meeting held on 10.03.2021 and 26.03.2021 had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into Equity shares for Rs. 28 each (including premium of Rs. 18 each), issued on preferential basis.

The Board had converted 9,60,000 (Nine Lakh Sixty Thousand) warrants into Equity shares on 31.03.2021 for which the Company received listing approval from BSE Limited on 11.06.2021 and National Stock Exchange of India Limited on 12.05.2021 and Trading approval from BSE Limited and National Stock Exchange of India Limited on 22.06.2021 for the same.

22.11 Dematerialization of Shares as on March 31, 2021

Total No. of Shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
1,01,33,080	39,140	0.43%	1,00,93,940	99.61%

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE417B01040.

Note- The Company in the Board meeting held on 10.03.2021 and 26.03.2021 had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into Equity shares for Rs. 28 each (including premium of Rs. 18 each), issued on preferential basis.

The Board had converted 9,60,000 (Nine Lakh Sixty Thousand) warrants into Equity shares on 31.03.2021 for which the Company received listing approval from BSE Limited on 11.06.2021 and National Stock Exchange of India Limited on 12.05.2021 and Trading approval from BSE Limited and National Stock Exchange of India Limited on 22.06.2021 for the same.

22.12 Categories of Shareholders as on March 31, 2021

Category	No. of Shares held	Percentage of Shareholding
Clearing Member	59830	0.59%
Corporate Bodies	98228	0.97%
Corporate Bodies (Promoter Company)	486475	4.80%
Non Resident Indians	221389	2.18%
Promoters/Directors	3877988	38.27%
Public	4558649	44.99%
Relative of Director	830521	8.20%
Total	10133080	100%

Note- The Company in the Board meeting held on 10.03.2021 and 26.03.2021 had allotted 19,20,000 warrants convertible into equity shares and 16,00,000 warrants convertible into Equity shares for Rs. 28 each (including premium of Rs. 18 each), issued on preferential basis.

The Board had converted 9,60,000 (Nine Lakh Sixty Thousand) warrants into Equity shares on 31.03.2021 for which the Company received listing approval from BSE Limited on 11.06.2021 and National Stock Exchange of India Limited on 12.05.2021 and Trading approval from BSE Limited and National Stock Exchange of India Limited on 22.06.2021 for the same.

- 22.13 Capital of the Company** : The authorized and paid-up capital of your Company is Rs. 300,000,000 and Rs. 10,13,30,800 respectively.
- 22.14 Outstanding GDRs/ADRs/Warrants** : The Company does not have any outstanding GDRs/ADRs/ as on 31.03.2021, however the Company has 25,60,000 outstanding Warrants which are to be converted into equity shares.
- 22.15 Company Secretary & Compliance Officer** : **Mr. Ravi Shankar Singh**

22.16 Address for Investor Correspondence

: Bigshare Services Pvt. Ltd.
 SEBI Regn. No. INR 00001385
 1st Floor Bharat Tin Works
 Building, Opp. Vasant Oasis,
 Makwana Road,
 Marol, Andheri East,
 Mumbai- 400059
 Tel : 022 – 62638200/206
 Fax: 022 – 62638299

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

22.17 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.

22.18 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: June 30, 2021

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, 2021 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, 2021 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, 2021, 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 HS Associates,
 Company Secretaries**

Hemant Shetye
 Partner
 FCS: 2827
 COP: 1483

Place : Mumbai.
 Date : September 01, 2021
ICSI UDIN: F002827C000871651

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, 2021.

For **Dynacons Systems & Solutions Ltd.**

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place : Mumbai
Dated : September 01,2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT *
1	Viren Champaklal Shah	02886221	20/03/2001
2	Jitesh Jayantilal Jain	00282797	19/09/2015
3	Parag Jitendra Dalal	00409894	26/09/1995
4	Shirish Mansinh Anjaria	00444104	01/02/2010
5	Dharmesh Shirish Anjaria	00445009	30/09/1998
6	#Dilip Parmanand Palicha	02879480	21/03/2014
7	Archana Vinayak Phadke	07138774	27/03/2015

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

Mr. Dilip Palicha resigned from the post of directorship w.e.f. April 22, 2021.

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 HS Associates,
Company Secretaries**

Hemant Shetye
Partner
FCS: 2827
COP: 1483

Place : Mumbai.

Date : September 01, 2021

ICSI UDIN: F002827C000871750

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, 2021, 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, 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.

Emphasis of Matters

1. Attention is drawn to Note No. 31.11 forming part of standalone financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Company's results in next financial year will depend on future developments, which are highly uncertain.
2. The Opinion expressed in the present report is based on the information, fact and inputs made available to us through electronic means by the company. We wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
 - Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts Statement / loan accounts statement and files.
 - Participation in the year end activity of physical verification of Cash, Inventories and Property, Plant and Equipment carried on by the management as on March 31, 2021, however we have performed alternate audit procedures / reconciliation of such items to obtain sufficient appropriate audit evidence about existence of Cash, Inventories and Property, Plant and Equipment as at the year end.
 - Any other process which required physical presence of the audit team.Our opinion is not modified in respect of these matters.

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 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 Incoterms. 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.

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.

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.

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, 2016 ("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 account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls 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, 2021 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2021.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

M. S. Parikh, Partner
Membership No.: 08684
Mumbai
June 30, 2021
UDIN: 21008684AAAACA9591

“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, 2021, 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) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a program of verification to cover all items of fixed assets in the phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed Assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deed of immovable property is held in the name of the Company.
- ii) Physical verification of inventories has been conducted at reasonable intervals by the management. The Company is generally maintaining proper records of inventory and no material discrepancies were noticed on physical verification between physical stock and the books records.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Act; hence the Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv) The Company has not granted any loans or made any investment or given loans or guarantees or securities to the parties or other parties, covered under the provision of section 185 and 186 of the act, hence the Clause (iv) of paragraph 3 of the Order is not applicable to the Company.
- v) The Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the clause (v) of paragraph 3 of the Order is not applicable to the company.
- vi) The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Act for any of the activities of the Company; hence the Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii) According to the information and explanations given to us in respect of statutory dues:-
 - a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST, Custom and Excise duty, and other statutory dues with the appropriate authorities.
 - 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) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of dues to banks or Non Banking Financial Companies. The Company does not have any loans or borrowings from the government or has not issued any debenture.
- ix) Based upon the audit procedures performed and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and amount raised through term loans during the year were applied for the purpose for which those are raised.

- x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the company or no material fraud of Company have been noticed or reported during the year and nor have we been informed of such case by the management.
- xi) According to the information and explanation given to us and based on our examination of the records, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- 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) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has made preferential allotment of shares during the year and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds are raised. The Company has not made private placement of shares or fully paid or partly convertible debentures during the year under review.
- xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with to its Directors; hence the clause (xv) of paragraph 3 of the Order is not applicable and hence not commented upon.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 – IA of Reserve Bank of India Act, 1934, and hence provision of clause 3(xvi) of the order are not applicable to the company and hence not commented upon.

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

M. S. Parikh, Partner
Membership No.: 08684
Mumbai
June 30, 2021
UDIN: 21008684AAAACA9591

“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, 2021 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, 2021, 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
June 30, 2021
UDIN: 21008684AAAACA9591

Standalone Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	360.35	178.67
(b) Right-of-use asset	2	278.73	195.60
(c) Investment in Subsidiary	3	5.05	5.05
(d) Financial Assets			
(i) Investments	4	39.00	1.07
(e) Deferred Tax Assets (Net)	17	24.95	11.49
		<u>708.08</u>	<u>391.89</u>
2 Current assets			
(a) Inventories	5	4,246.66	871.85
(b) Financial Assets			
(i) Trade receivables	6	10,189.53	8,399.57
(ii) Cash and cash equivalents	7	949.88	309.90
(iii) Bank balances other than mentioned in cash and cash equivalents	8	1,352.58	1,350.78
(iv) Short-term loans and advances	9	19.87	14.21
(v) Other Financial Assets	10	454.66	265.26
(c) Other Current Assets	11	134.61	611.31
		<u>17,347.79</u>	<u>11,822.88</u>
		<u>18,055.88</u>	<u>12,214.77</u>
TOTAL			
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	12	1,013.31	917.31
(b) Other Equity	13	3,931.21	2,702.09
		<u>4,944.52</u>	<u>3,619.39</u>
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	14	361.30	17.64
(ii) Lease Liabilities	15	245.16	159.86
(b) Long-Term Provisions	16	143.79	111.50
(c) Other non-current liabilities	18	4.38	8.95
		<u>754.62</u>	<u>297.95</u>
3 Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	19	3,428.91	3,481.75
(ii) Trade Payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		14.79	2.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,961.01	4,273.09
(iii) Lease Liabilities	21	60.42	39.03
(iv) Other Financial Liabilities	22	255.51	21.34
(b) Other Current Liabilities	23	636.10	480.19
		<u>12,356.74</u>	<u>8297.43</u>
		<u>18,055.88</u>	<u>12,214.77</u>
TOTAL			

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 : June 30, 2021

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director &
Chief Financial Officer
DIN : 00445009
Mumbai : June 30, 2021

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, 2021

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
1. INCOME			
(a) Revenue from Operations	24	43,593.93	32,794.50
(b) Other Income	25	186.74	223.89
2 Total Revenue		43,780.67	33,018.39
3 EXPENSES			
(a) Purchases of Stock-In-Trade	26	42,185.41	27,557.92
(b) Changes In Inventories Of Stock-In-Trade	27	(3,374.80)	807.30
(c) Employee Benefits Expense	28	2,393.67	2,237.65
(d) Finance Costs	29	705.80	758.19
(e) Depreciation And Amortisation Expense	2	125.80	102.57
(f) Other Expenses	30	535.30	748.91
4 Total Expenses		42,571.17	32,212.54
5 Profit before tax		1,209.49	805.85
6 Tax Expense:			
(a) Current Tax		300.70	216.14
(b) Deferred Tax		(13.46)	(22.04)
		287.24	194.10
7 Profit for the year		922.26	611.75
8 Other Comprehensive Income Items that will not be reclassified to profit or loss			
- Measurement of defined employee benefit plan		(9.61)	(25.80)
- Equity instruments through other comprehensive income		7.93	0.69
		0.69	0.00
- Income tax relating to items that will not be reclassified to profit or loss		2.41	6.49
Other comprehensive income for the year, net of tax		0.73	(18.61)
9 Total comprehensive income for the year		922.99	593.14
10 Earnings per equity share (Profit for the year)			
(i) Basic (In ₹)		10.08	6.67
(ii) Diluted (In ₹)		7.88	6.67
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 : June 30, 2021

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Mumbai : June 30, 2021

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Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957

Standalone Cash Flow Statement for the year ended 31st March 2021

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	1,209.49	805.85
Add: Depreciation And Amortisation Expense	125.80	102.57
(Profit)/Loss on wloff of Property, Plant and Equipment	2.34	0.00
Finance Costs	705.80	758.19
Reversal of lease rentals	(1.41)	0.00
Dividend Income	(55.28)	(53.30)
Loss On Investments Written off	-	0.51
	777.25	807.98
Operating profit before working Capital	1,986.74	1,613.83
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(3,374.80)	807.30
Trade receivables	(1,789.96)	(2,631.98)
Other current financial assets	(196.86)	(520.67)
Other current assets	351.81	(308.30)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,700.69	1,735.80
Other current financial liabilities	234.17	(28.62)
Other current liabilities	155.90	(83.14)
Other non current Liabilities	(4.58)	2.03
Provisions	22.68	19.10
	(900.95)	(1,008.48)
Cash Generated from Operations	1,085.79	605.35
Taxes paid	(173.40)	(203.02)
Net Cash Flow from operating activities	912.39	402.32
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(252.24)	(4.96)
Dividend received	55.28	53.30
Purchase of Investments	(30.00)	-
Net Cash Used for Investing Activities	(226.96)	48.34
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	(32.60)	(23.40)
Money received against share warrants	448.00	-
Dividend Paid	(45.87)	(45.87)
Long-term borrowings (net) (Also refer note 14)	343.66	(12.71)
Short-term borrowings (net) (Also refer note 19)	(52.84)	18.85
Interest Paid	(705.80)	(758.19)
Net cash From Financing Activities	(45.44)	(821.32)
D Net Increase in Cash and Cash Equivalents (A+B+C)	639.99	(370.66)
E Cash and Cash Equivalents (Opening Balance)	309.90	680.56
F Cash and Cash Equivalents (Closing Balance) as per note 7	949.88	309.90
	639.99	(370.66)

Notes 1 to 31 form 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 : June 30, 2021

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director &
Chief Financial Officer
DIN : 00445009
Mumbai : June 30, 2021

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary &
Compliance Officer
ACS : 22957

STATEMENT OF CHANGES IN EQUITYFor the year ended 31st March, 2021**A. Equity Share Capital (Refer Note No. 12)**

(₹ in Lakhs)

Particulars	Equity Share Capital
As at 1 st April 2019	917.31
Changes in Equity Share Capital	-
As at 31 st March 2020	917.31
Changes in Equity Share Capital	96.00
As at 31 st March 2021	1,013.31

B. Other Equity (Refer Note No. 13)

(₹ in Lakhs)

	Reserves and Surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings/ Capital Reserves			
	₹	₹	₹	₹	₹
Balance as at 1st April 2019	325.00	1,826.07	5.02	-	2,156.09
Total Comprehensive Income for the year	-	-	(18.61)	-	(18.61)
Additions during the year	-	611.75	-	-	611.75
Dividend Paid	-	(45.87)	-	-	(45.87)
Other Adjustments	-	(1.28)	-	-	(1.28)
Balance as at 31st March 2020	325.00	2,390.68	(13.60)	-	2,702.09

Balance as at 1st April 2020	325.00	2,390.68	(13.60)	-	2,702.09
Total Comprehensive Income for the year	-	-	0.73	-	0.73
Additions during the year	172.80	922.26	-	448.00	1,543.06
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	3,267.07	(12.86)	352.00	3,931.21

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 : June 30, 2021

For and on behalf of the Board of Directors

Shirish Anjaria
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DIN : 00444104

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DIN : 00445009
Mumbai : June 30, 2021

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, 2021

NOTE 1: Summary of significant accounting policies and other explanatory information

1. Company Overview

Dynacons Systems & Solutions Ltd. is an IT solutions company with global perspectives and is engaged in providing a comprehensive range of end-to-end solutions to customers. Dynacons has the technical expertise and the service delivery infrastructure to serve Customers at a level of quality consistent with their expectations. Dynacons helps in the selection of the right technology and application that will yield the greatest return and build a business case for implementation based on lower Total cost of ownership and higher performance.

2. SIGNIFICANT ACCOUNTING POLICIES :

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 June, 2021.

The standalone 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.

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 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 2.14
- Estimated useful life of property, plant and equipment and Intangible assets – Note 2.8
- Estimation of defined benefit obligations— Note 2.13
- Impairment of trade receivables- Note 2.19

f) Measurement of fair values

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

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

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

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

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

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

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

2.2. Revenue Recognition

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 Balances

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.

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.

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.

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.

2.3. Expenditure Recognition

Expenses are accounted on the accrual basis 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.

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, 2020. Accordingly no new accounting standards are adopted by the company during the current year.

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.

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.

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.

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 nonrefundable 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.

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

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.

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.

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.
- iii) Exchange Differences: All exchange differences arising on settlement and conversions of foreign currency transactions are included in Other Comprehensive Income.

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.

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.

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.

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.

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.

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.

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.

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 31 March 2021

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	Lease hold premises
Gross block							
Balance as at 1 April 2019	8.43	-	135.10	2.85	280.37	426.74	-
Re-classification of prepaid lease rentals	-	-	-	-	-	-	222.29
Additions	4.96	-	-	-	-	4.96	-
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 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
Accumulated depreciation/amortisation							
Balance as at 1 April 2019	1.57	-	20.19	1.20	154.17	177.14	-
Depreciation/amortisation for the year	1.04	-	20.51	0.42	53.92	75.89	26.68
Reversal on disposal of assets	-	-	-	-	-	-	-
Balance as at 31 March 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
Net Block							
Balance as at 31 March 2020	10.77	-	94.39	1.24	72.27	178.67	195.60
Balance as at 31 March 2021	9.45	98.89	93.51	3.03	155.46	360.35	278.73

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

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
3. INVESTMENT IN SUBSIDIARY		
Equity Investment at cost		
In Equity Shares - Unquoted, fully paid up		
(i) Dynacons Systems & Solutions PTE Ltd (7,678 (31st March, 2020 - 7,678) Equity Shares of US\$ 1/- each)	5.05	5.05
	5.05	5.05
(ii) Extent of investment in subsidiaries - Dynacons Systems & Solutions PTE Ltd	100.00%	100.00%
(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 (31st March, 2020 - 2,000 shares of Amalgamating entity Dena Bank) Equity Shares of ₹ 10 each fully paid up)	0.16	1.07
(ii) In Units of Mutual Fund - Quoted, fully paid up		
Bank of Baroda Large & Midcap Fund-Direct Plan-Growth Option (Unit 299675.326 (31st March, 2020 - 0)	38.84	-
Total	39.00	1.07
(iii) Aggregate amount of: -Quoted investments	39.00	1.07
(iv) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument and units of mutual fund through Other Comprehensive Income ('OCI').		
5 INVENTORIES		
Stock-in-trade	4,246.66	871.85
Total	4,246.66	871.85
Inventories of Rs. 4246.66 lakhs (as at 31st March, 2020: Rs. 871.85 Lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)		
6 TRADE RECEIVABLES		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	10,189.53	8,399.57
Trade Receivables which have significant increase in Credit Risk;	17.54	-
Trade Receivables - credit impaired	-	-
	10,207.07	8,399.57
Less Provision for expected credit loss	17.54	-
Total	10,189.53	8,399.57

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
6.1 Movement in allowance for expected credit loss		
Balance at the beginning of the year	-	-
Amounts written off	-	-
Allowance during the year	17.54	-
Reversal during the year	-	-
Balance at the end of the year	<u>17.54</u>	<u>-</u>
6.2 Trade Receivables of 10,189.53 lakhs (as at 31st March, 2020: Rs. 8399.57 Lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)		
6.3 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		
6.4 The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 31.8		
6.5 The Company has also considered credit information of its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, is adequate.		
6.6 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 has been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2021.		
7. CASH AND CASH EQUIVALENTS		
Cash on hand	0.76	0.97
Balances with banks in current accounts	483.07	6.64
Demand deposits with Banks	466.06	302.28
Total	<u>949.88</u>	<u>309.90</u>
Deposits Accounts of Rs.466.06 Lakhs (As at 31st March, 2020 Rs. 302.28 lakhs) pledged for facilities from Banks. (Refer Note 19.1)		
8 BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS		
-Balances with bank held as margin money	1,352.58	1,350.78
Total	<u>1,352.58</u>	<u>1,350.78</u>
9 SHORT TERM LOANS AND ADVANCES		
Loans & Advances to employees		
-Loans Receivables considered good - Unsecured	19.87	14.21
Total	<u>19.87</u>	<u>14.21</u>

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
10 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)		
Security Deposits	454.66	265.26
Total	454.66	265.26
11 OTHER CURRENT ASSETS		
Duties & Taxes (Net of provisions)	134.61	611.31
Total	134.61	611.31
12 EQUITY SHARE CAPITAL		
(a) Authorised Share Capital		
30,000,000 Equity shares of ₹10 each	3,000.00	3,000.00
(Previous Year 30,000,000 Equity shares of ₹10 each)		
(b) Issued, Subscribed and Fully Paid up :		
(1,01,33,080 Equity shares of ₹10 each)	1,013.31	917.31
(Previous year 91,73,080 Equity shares of ₹ 10 each)		

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

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	9 1,73,080	917.31	91,73,080	917.31
Issued during the year	9,60,000	96.00	-	-
Equity Shares at the end of the year	1,01,33,080	1,013.31	91,73,080	917.31

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

Name of the Shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	11,60,948	11.46	8,40,948	9.17
Dharmesh Shirish Anjaria	9,56,220	9.44	6,36,220	6.94
Parag Jitendra Dalal	9,47,200	9.35	6,27,200	6.84

12.3 The Company has allotted 9,60,000 equity shares of Rs 10 each at a premium of Rs. 18 per share on a Preferential basis on Mar 31, 2021 against the warrants converted by the holders.

12.4 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.

12.5 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

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
12.6 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.		
12.7 The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on September 15, 2020, declared an interim dividend of ₹ 0.50/- per share on the nominal value of ₹ 10/-each and paid to all the eligible shareholders as on September 23, 2020. The interim dividend paid is considered as the final dividend for the financial year ended 31 st March, 2021.		
13 OTHER EQUITY		
Securities premium account	497.80	325.00
General reserve	190.46	190.46
Retained earnings	3,076.61	2,200.22
Money received against share warrants	179.20	-
Other comprehensive income	(12.86)	(13.60)
Total	3,931.21	2,702.09
The movement in Other Equity:		
(a) Securities premium account		
As per last Balance Sheet	325.00	325.00
Add : Premium on shares issued during the year	172.80	-
Total	497.80	325.00
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	2,200.22	1,635.61
Less : Dividend Distributed	(45.87)	(45.87)
Less : Adjustment of Balance in defined employee benefit plan	-	(1.28)
Add: Profit for the year	922.26	611.75
	3,076.61	2,200.22
Surplus in Statement of Profit and Loss comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
(d) Money received against share warrants		
As per last Balance Sheet	-	-
Add : Monies received during the year	448.00	-
	448.00	-
Less : Issue of Shares	96.00	-
Less : Transfer to Securities Premium Account	172.80	-
	179.20	-

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<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.</p> <p>In pursuance of the above the company received Rs. 4,48,00,000/- as under :</p> <p>a. Rs. 2,46,40,000/- towards 35,20,000 warrant at Rs 7 each.</p> <p>b. Rs. 2,01,60,000/- towards 9,60,000 warrant at Rs 21 each of the above 35,20,000 warrants.</p> <p>Out of the 35,20,000 convertible warrants issued, 9,60,000 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 Directors and Managing Director of the Company vide the board of directors at their meeting held on 31st March 2021.</p> <p>The object of this preferential issue is to utilize the proceeds of the Preferential Issue of warrants convertible into equity shares to meet long term working capital, general corporate purpose and such other purpose as the Board may decide. The Proceeds of issue has been parked in earmarked bank account as at 31.03.2021 and will be utilised for the objects for which it has been raised in subsequent year.</p>		
Total reserves and surplus	3,944.07	2,715.68
(e) Other comprehensive income		
Balance at the beginning of the year	(13.60)	5.02
Add : Movement during the year	0.73	(18.61)
Balance at the end of the year	(12.86)	(13.60)
Total other Equity	3,931.21	2,702.09
14 Long Term Borrowings		
Term Loans		
Secured		
From Banks	286.11	31.79
From other	-	7.18
Unsecured		
From Banks	330.70	-
	616.81	38.97
Less:		
Current maturities of long-term loan from bank Secured Loan (included in note 22)	241.63	21.34
Current maturities of long-term loan from bank Unsecured Loan (included in note 22)	13.88	-
	255.51	21.34
Total	361.30	17.64

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
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14.1 Nature of Security & terms of Repayment of secured borrowing :

- a) Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company
- b) Term loans from Others were Secured by way of first mortgage / charge on the Vehicles of the Company

14.2 Other Details

	Particulars	Security Coverd	Date of Maturity	Number of Installments Due	Applicable Rate of Interest
A	From Banks				
	Yes Bank Ltd	Motor Car	15-Oct-22	6.00	8.78%
	Axis Bank	Motor Car	31-Jan-26	58.00	8.45%
	Bank of Baroda	Stock, Debtors Movable fixed Assets	30-Apr-22	1.00	8.45%

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

Balance at the beginning of the year	38.97	80.30
A) Changes from financing cash flows		
(i) Proceeds from borrowings	7 00.29	-
(ii) Transaction costs related to borrowings		
(ii) Repayment of borrowings	(122.45)	(41.33)
Total changes from financing cash flows	577.84	(41.33)
B) Other Changes		
(i) Interest expense paid	(13.93)	(9.32)
(ii) Interest expense accrued	13.93	9.32
Total other changes	-	-
Balance at the end of the year	616.81	38.97
15 OTHER NON-CURRENT LIABILITIES		
Lease Liabilities	245.16	159.86
Refer Note no 31.10		
	245.16	159.86
16 LONG TERM PROVISIONS		
Provision for employee benefits:		
i) Provision for other defined benefit plans		
- Gratuity (Refer Note 31.2)	143.79	108.78
ii) Leave Encashment	-	2.72
Total	143.79	111.50

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
17 DEFERRED TAX ASSET NET		
(a) Amounts recognized in profit and loss		
Current tax expense (A)		
In respect of current year	300.70	216.14
Deferred tax expense (B)		
In respect of current year	(13.46)	(22.04)
Adjustments for earlier years (C)	-	-
Tax expense recognized in the income statement (A+B+C)	287.24	194.10

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31 st March, 2021			For the year ended 31 st March, 2020		
	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	(9.61)	2.41	(7.20)	(25.80)	6.49	(19.31)
Equity instruments through other comprehensive income	7.93	0.00	7.93	0.69	0.00	0.69
	(1.68)	2.41	0.73	(25.10)	6.49	(18.61)

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
	%	Amounts	%	Amounts
Profit before tax		1,209.49		805.85
Tax using the Company's domestic tax rate	25.17%	304.40	25.17%	202.82
Tax effect of:				
Expenses disallowed for tax purposes	10.41%	31.69	0.00%	-
Permanent Difference	-7.06%	(48.86)	-3.63%	(5.16)
Exempt Income	0.00%	0.00	-2.10%	(4.27)
Others	0.00%	-	0.35%	0.72
TOTAL	3.35%	(17.17)	-5.38%	(8.71)
Effective income tax rate	28.52%	287.24	19.79%	194.10

(d) Movement in deferred tax

Particulars	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021
Provisions - employee benefits	42.64	33.83	0.00	0.00	(42.64)	(33.83)
Property, plant and equipment	0.00	0.00	19.34	23.17	19.34	23.17
Lease Rentals	1.65	0.83	0.00	0.00	(1.65)	(0.83)
Deferred tax (assets) liabilities	44.29	34.66	19.34	23.17	(24.95)	(11.49)

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
18 OTHER NON CURRENT LIABILITIES		
Unpaid Dividends	4.38	2.03
Other Payables*	-	6.93
Total	4.38	8.95
* Includes staff dues.		
19 Short Term Borrowings		
Secured		
Working Capital Loans :		
From Banks	3,428.91	3,481.75
Total	3,428.91	3,481.75
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.		
	3,428.91	3,481.75
20 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	14.79	2.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,961.01	4,273.09
Total	7,975.80	4,275.12

Note:

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 March, 2021	As at 31 March, 2020
Principal amount due and remaining unpaid	14.79	2.02
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	-	-

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
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.		
21 LEASE LIABILITIES		
Current Lease Liabilities	60.42	39.03
	60.42	39.03
22 OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt	255.51	21.34
Total	255.51	21.34
Refer Notes No. 14.1		
23 OTHER CURRENT LIABILITIES		
Other Payables*	636.10	480.19
Total	636.10	480.19
* includes statutory dues and others		
24 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	43,593.93	32,794.50
Total	43,593.93	32,794.50
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	40,500.36	29,595.59
Export (Including deemed export)	3,093.56	3,198.91
Total	43,593.93	32,794.50
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	45,568.05	34,695.40
Less: Adjustments		
Sales return	(1974.13)	(1900.90)
Revenue from contracts with Customers	43,593.93	32,794.50

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

(₹ in Lakhs)		
Particulars	As at 31 March, 2021	As at 31 March, 2020
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	10,207.07	8,399.57
Allowance as per Expected credit loss model	17.54	-
Total	10,189.53	8,399.57
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
25 OTHER INCOME		
Interest income	131.15	170.25
Others #	0.31	0.35
Dividend Received (Dividend received from Wholly owned Subsidiary Company)	55.28	53.30
Total	186.74	223.89
# includes Miscellaneous income		
26 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	42,185.41	27,557.92
Total	42,185.41	27,557.92
27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	4,246.66	871.85
Total	4,246.66	871.85
Inventories at commencement		
Stock-in-Trade	871.85	1,679.15
Total	(3,374.80)	807.30
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,236.61	2,056.79
Contributions to provident and other funds	135.54	121.23
Staff Welfare Expenses	21.52	59.64
Total	2,393.67	2,237.65
29 FINANCE COST		
a) Interest on financial liabilities carried at a mortised cost	26.31	6.37
b) Interest on borrowings	412.29	322.13
c) Other interest cost	223.13	345.19
d) Others	44.07	84.50
Total	705.80	758.19

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
30 OTHER EXPENSES		
Electricity Expenses	6.49	10.59
Rent	12.95	57.95
Communication Expenses	26.35	39.86
Auditors Remuneration	9.00	8.55
Bank Charges	11.03	17.77
Conveyance And Travelling Expenses	150.67	265.49
Insurance Charges	15.31	11.70
Legal & Professional Charges	72.39	135.67
Loss On Investments Written off	-	0.51
Loss on expiry of useful life of assets	2.34	-
Membership & Subscription	4.24	2.06
Miscellaneous Expenses	40.16	26.72
Corporate social responsibility expenditure	15.98	2.56
Motor Car Expenses	4.86	6.14
Bad Debts Written off	27.20	-
Printing & Stationary Expenses	3.41	8.79
Rates & Taxes	7.39	6.07
Repairs & Maintenance -Building	5.36	2.57
Repairs & Maintenance - Others	16.21	6.78
Sales Promotion Expenses	6.56	16.50
Transportation Charges	97.40	122.62
Total	535.30	748.91
30.1 AUDITORS REMUNERATION		
- Audit Fees	9.00	8.55
- Other	-	-
Total	9.00	8.55
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	11.12	7.28
(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 for the balance amount which will be paid in due course.		
Out of CSR fund of F.Y.- 20-21	11.15	-
Out of CSR fund of F.Y.- 19-20	4.83	2.56

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**Additional Information to the financial statements****31.1. Earnings per share (EPS)**

Particulars	Units	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit after Tax	(₹/lakhs)	922.26	611.75
Weighted Number of Equity Shares	Nos. Lakhs	91.51	91.73
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	10.08	6.67
Weighted Number of Shares outstanding and dilutive Shares	Nos. Lakhs	117.11	116.42
Earnings Per Share (of paid up Value of ₹10 each) Diluted	₹	7.88	6.67

31.2. 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	2021	2020
		Amount (₹)	Amount (₹)
I.	Assumptions :		
	Discount Rate	6.82%	6.82%
	Salary escalation rate	4.50%	4.50%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	108.78	65.28
	Current Service Cost	35.01	42.23
	Balance	143.79	107.51
	Liability at the end of the year	143.79	107.51
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	143.79	107.51
	Difference Adjusted	-	1.28
	Amount Recognized in the Balance Sheet	143.79	108.78
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	35.01	42.23
	Expense Recognized in P& L	35.01	42.23
V.	Expenses Recognized in the OCI :		
	Current Service Cost	(9.61)	(25.80)
	Expense Recognized in P& L	(9.61)	(25.80)

Maturity Analysis of the Benefit Payments: From the Employer

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	31 st March, 2021	31 st March, 2020
1 st Following Year	3.12	6.13
2 nd Following Year	3.96	2.74
3 rd Following Year	4.37	3.34
4 th Following Year	11.35	3.59
5 th Following Year	4.97	6.41
Sum of Years 6 To 10	34.09	28.03
Sum of Years 11 and above	341.94	282.22

Sensitivity Analysis

(₹ in Lakhs)

	31 st March, 2021	31 st March, 2020
Projected Benefit Obligation on Current Assumptions	143.79	108.78
Delta Effect of +1% Change in Rate of Discounting	(17.90)	(13.32)
Delta Effect of -1% Change in Rate of Discounting	21.73	16.19
Delta Effect of +1% Change in Rate of Salary Increase	21.92	16.41
Delta Effect of -1% Change in Rate of Salary Increase	(18.34)	(13.71)
Delta Effect of +1% Change in Rate of Employee Turnover	3.01	3.02
Delta Effect of -1% Change in Rate of Employee Turnover	(3.63)	(3.64)

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.

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
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
Jitesh Jain
Dilip Parmanand Palicha
Viren Champaklal Shah
Archana Phadke
- (v) Other Related Party
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	2021 (₹/lakhs)	2020 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.58	2.57
Mr. Shirish M. Anjaria	Remuneration	30.00	30.00
Mr. Parag J. Dalal	Remuneration	27.00	27.00
Mr. Dharmesh S. Anjaria	Remuneration	27.00	27.00
Mr. Ravishankar Singh	Remuneration	1.80	1.41
Josh Foundation	Corporate social responsibility expenditure	7.50	0.50

B. Dividend Income

Party	Nature of Receipts	2021 (₹/lakhs)	2020 (₹/lakhs)
M/s Dynacons Systems & Solutions PTE Ltd	Dividend Income	55.28	53.30

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

Party	Nature of Payment	No. of Warrant	Amount Received (₹/lakhs)	Amount receivable on Conversion of warrants into equity shares (₹/lakhs)
Shirish Mansinh Anjaria	Amount received against the warrant Converted to Equity shares	320000 Warrants	89.60	-
Parag Jitendra Dalal	Amount received against the warrant Converted to Equity shares	320000 Warrants	89.60	-
Dharmesh Shirish Anjaria	Amount received against the warrant Converted to Equity shares	320000 Warrants	89.60	-
Jigna D. Anjaria	Amount received against warrant Convertible into Equity shares	80000 Warrants	5.60	16.80
Dharmesh S Anjaria (HUF)	Amount received against warrant Convertible into Equity shares	160000 Warrants	11.20	33.60
Parag J Dalal (HUF)	Amount received against warrant Convertible into Equity shares	160000 Warrants	11.20	33.60
Devangi Parag Dalal	Amount received against warrant Convertible into Equity shares	80000 Warrants	5.60	16.80
Shirish M Anjaria (HUF)	Amount received against warrant Convertible into Equity shares	160000 Warrants	11.20	33.60
Nilam Shirish Anjaria	Amount received against warrant Convertible into Equity shares	160000 Warrants	11.20	33.60
Hasumati Jitendra Dalal	Amount received against warrant Convertible into Equity shares	80000 Warrants	5.60	16.80
Pankti Dalal	Amount received against warrant Convertible into Equity shares	40000 Warrants	2.80	8.40
Dhvani Dalal	Amount received against warrant Convertible into Equity shares	40000 Warrants	2.80	8.40
Trigem Infosolutions Limited	Amount received against warrant Convertible into Equity shares	1600000 Warrants	112.00	336.00
			448.00	537.60

31.4. Balances Outstanding

(₹ in Lakhs)

Nature of Transaction	Subsidiaries		Entities controlled by Key Managerial Personnel	
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
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	2021 (₹/lakhs)	2020 (₹/lakhs)
Income tax	AY 2017-18	CIT Appeals	6.86	6.86

b) Guarantees given by the company's bankers ₹ 3200.03 lakhs (previous year ₹ 3181.54 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, 19 and 22) 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, 2021	As at 31 st March, 2020
Non-current borrowings	361.30	17.64
Current maturities of non-current borrowings	255.51	21.34
Current borrowings	3,428.91	3,481.75
Total Debt	4,045.72	3,520.73
Equity	4,944.52	3,619.39
Net debt to equity ratio	0.82	0.97

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, 2021	As at 31 st March, 2020
Financial Assets		
Measured at amortised cost		
Trade receivables	10,189.53	8,399.57
Cash and cash equivalents	949.88	309.90
Bank balances other than above	1,352.58	1,350.78
Loans	19.87	14.21
Other Financial Assets	454.66	265.26
Designated at fair value through other comprehensive income		
Investments	39.00	1.07
Total	13,005.52	10,340.79
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	361.30	17.64
Lease Liabilities	305.58	198.88
Short-Term Borrowings	3,428.91	3,481.75
Trade Payables	7,975.80	4,275.12
Other Financial Liabilities	255.51	21.34
Total	12327.10	7,994.73

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.

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-21	39.00	39.00	-	-
	31-Mar-20	0.89	1.07	-	(0.18)*

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 1 April 2019	1.07	1.07
Addition / (Deletion) during the year	-	-
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

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, 2021	As at 31 st March, 2020
0-180 days	9,623.70	8,170.36
More than 180 Days	565.82	229.21
Total	10,189.53	8,399.57

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 has been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2021.

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 31st 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
As at 31st March 2020			
Borrowings	3,481.75	3,481.75	-
Trade Payables	4,275.12	4,275.12	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	38.97	21.34	17.64

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, 2021	As at 31 st March, 2020
Financial assets		
Trade receivables	460.71	324.06
Net exposure for assets	460.71	324.06
Financial liabilities		
Trade Payables	607.09	89.96
Net exposure for liabilities	607.09	89.96
Net exposure (Assets - Liabilities)	(146.38)	234.10

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%		
	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
USD		(7.30)	11.71	7.30	(11.71)

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, 2021	For the year ended 31 st March, 2020
Term loans - long term		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	616.81	38.97
Short term borrowings	3,428.91	3,481.75
	4,045.72	3,520.73

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate	Increase in Interest rate by 0.25%		Decrease in Interest rate by 0.25%	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Term loans-long term	-	-	-	-
Short term borrowings	8.57	8.70	(8.57)	(8.70)

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, 2021: (₹ in Lakhs)

Particulars	31 st March, 2021	31 st March, 2020
Balance at the beginning of the year	198.88	--
Lease liabilities recognised on initial application of Ind-AS 116	-	222.29
Leased liability recognised during the year	148.17	-
Reversals	(8.87)	-
Finance cost accrued during the period	26.31	6.37
Payment of lease liabilities	(58.91)	(29.78)
Balance at the end	305.58	198.88
Lease Liability – Current	60.42	39.03
Lease Liability - Non-Current	245.16	159.85

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

31.11. COVID IMPACT

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

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 : June 30, 2021

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director &
Chief Financial Officer
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary
& Compliance Officer
ACS : 22957

INDEPENDENT AUDITOR'S REPORT

To the Members of Dynacons Systems and Solutions Limited.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Dynacons Systems and 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, 2021, 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, 2021, 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.

Emphasis of Matters

- i) Attention is drawn to Note No. 30.10 forming part of consolidated financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Company's results in next financial year will depend on future developments, which are highly uncertain.
- ii) The Opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the Company. We wish to highlight that due to the COVID-19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the office of the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
 - Inspection, Observation, examination and verification of the original documents of invoices, legal agreements, bank accounts statements / loan accounts statements and files.
 - Participation in the year end activity of physical verification of Cash, Inventories and Property, Plant and Equipment carried on by the management as on March 31, 2021, however we have performed alternate audit procedures / reconciliation of such items to obtain sufficient appropriate audit evidence about existence of Cash, Inventories and Property, Plant and Equipment as at the year end.
 - Any other processes which required physical presence of the audit team.

Our opinion is not modified in respect of these matters.

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.

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 2.2 to the accompanying consolidated financial statements. Refer Note 23 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 Incoterms.

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.

Auditors 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.

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.

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.

Other Matters

1. We did not audit the financial statements of Dynacons Systems & Solutions PTE Ltd., a wholly owned subsidiary and located outside India whose financial statements reflect total assets (net) of Rs.26.95 Lakhs as on March 31, 2021 and total revenue of Rs. NIL for the year ended on that date, as considered in the consolidated financial statements. These unaudited financial statements have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the unaudited financial statements presented to us by the management.

Our opinion on the consolidated financial statements is not modified in respect of this 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, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of 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 the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements have disclosed the impact of pending litigations as on March 31, 2021 on its financial position in its Consolidated Ind AS financial statements Refer to Note No 30.5 forming part of consolidated financial statements.
 - ii. The Consolidated Financial Statements have long term contracts as at March 31, 2021 for which there are no material foreseeable losses. The Consolidated Financial Statements do not have derivative contracts as at March 31, 2021.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries during the year ended March 31, 2021.

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

M. S. Parikh, Partner
Membership No.: 08684
Mumbai
June 30, 2021
UDIN: 21008684AAAACB5921

“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, 2021 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, 2021, 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
June 30, 2021
UDIN: 21008684AAAACB5921

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	360.35	178.67
(b) Right-of-use asset	2	278.73	195.60
(c) Financial Assets			
(i) Investments	3	39.00	1.07
(d) Deferred Tax Assets (Net)	16	24.95	11.49
		703.03	386.83
2 Current assets			
(a) Inventories	4	4,246.66	871.85
(b) Financial Assets			
(i) Trade receivables	5	10,189.53	8,399.57
(ii) Cash and cash equivalents	6	973.34	393.69
(iii) Bank balances other than mentioned in cash and cash equivalents	7	1,352.58	1,350.78
(iv) Short-term loans and advances	8	19.87	14.21
(v) Other Financial Assets	9	454.66	265.26
(c) Other Current Assets	10	143.15	622.60
		17,379.79	11,917.96
TOTAL		18,082.82	12,304.80
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	11	1,013.31	917.31
(b) Other Equity	12	3,945.76	2,785.30
		4,959.07	3,702.60
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-Term Borrowings	13	361.30	17.64
(ii) Lease Liabilities	14	245.16	159.86
(b) Long-Term Provisions	15	143.79	111.50
(c) Other non-current liabilities	17	4.38	8.95
		754.62	297.95
3 Current liabilities			
(a) Financial Liabilities			
(i) Short-Term Borrowings	18	3,428.91	3,481.75
(ii) Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		14.79	2.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,973.40	4,279.91
(iii) Lease Liabilities	20	60.42	39.03
(iv) Other Financial Liabilities	21	255.51	21.34
(b) Other Current Liabilities	22	636.10	480.19
		12,369.13	8,304.24
TOTAL		18,082.82	12,304.80
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 : June 30, 2021**

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director &
Chief Financial Officer
DIN : 00445009
Mumbai : June 30, 2021

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, 2021**(₹ in Lakhs)**

Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
1. INCOME			
(a) Revenue from Operations	23	43,593.68	32,884.91
(b) Other Income	24	131.46	172.96
2 Total Revenue		43,725.14	33,057.87
3 EXPENSES			
(a) Purchases of Stock-In-Trade	25	42,185.41	27,640.72
(b) Changes In Inventories Of Stock-In-Trade	26	(3,374.80)	807.30
(c) Employee Benefits Expense	27	2,393.67	2,237.65
(d) Finance Costs	28	705.80	758.19
(e) Depreciation And Amortisation Expense	2	125.80	102.57
(f) Other Expenses	29	543.89	754.88
4 Total Expenses		42,579.76	32,301.32
5 Profit before tax		1,145.38	756.55
6 Tax Expense:			
(a) Current Tax		305.11	207.21
(b) Deferred Tax		(13.46)	(22.04)
		291.65	185.17
7 Profit for the year		853.73	571.38
8 Other Comprehensive Income			
(i) "Items that will not be reclassified to profit or loss"			
- Measurement of defined employee benefit plan		(9.61)	(25.80)
- Equity instruments through other comprehensive income		7.93	0.69
- Difference in foreign exchange rates		0.00	6.17
- Income tax relating to items that will not be reclassified to profit or loss		2.41	6.49
Other comprehensive income for the year, net of tax		0.73	(12.45)
9 Total comprehensive income for the year		854.46	558.94
10 Earnings per equity share on the Profit for the year			
(i) Basic (In ₹)		9.33	6.23
(ii) Diluted (In ₹)		7.29	6.23
Notes on Financial Statements	1-30		

As per our report of even date attached
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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	1,145.38	756.55
Add: Depreciation And Amortisation Expense	125.80	102.57
(Profit)/Loss on w/off of Property, Plant and Equipment	2.34	0.00
Finance Costs	705.80	758.19
Reversal of lease rentals	(1.41)	0.00
Difference in Foreign Exchange Rates	(0.13)	6.90
Loss On Investments Written off	0.00	0.51
	832.40	868.18
Operating profit before working Capital	1,977.78	1,624.73
Changes in current assets and liabilities		
Adjustments for increase / decrease in operating assets:		
Inventories	(3,374.80)	807.30
Trade receivables	(1,789.96)	(2,438.13)
Other current financial assets	(196.86)	(520.67)
Other current assets	350.15	(320.07)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,706.26	1,569.97
Other current financial liabilities	234.17	(28.62)
Other current liabilities	155.90	(83.14)
Other non current Liabilities	(4.58)	2.03
Provisions	22.68	19.10
	(897.04)	(992.24)
Cash Generated from Operations	1,080.74	632.49
Taxes paid	(173.40)	(203.02)
Net Cash Flow from operating activities	907.34	429.47
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(252.24)	(4.96)
Investment	(30.00)	-
Net Cash Used for Investing Activities	(282.24)	(4.96)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	(32.60)	(23.40)
Payment of Dividend	(45.87)	(45.87)
Money received against share warrants	448.00	-
Long-term borrowings (net) (Also refer note 13)	343.66	(12.71)
Short-term borrowings (net) (Also refer note 18)	(52.84)	18.85
Interest Paid	(705.80)	(758.19)
Net Cash Flow From Financing Activities	(45.44)	(821.32)
D Net Increase in Cash and Cash Equivalents (A+B+C)	579.65	(396.81)
E Cash and Cash Equivalents (Opening Balance)	393.69	790.50
F Cash and Cash Equivalents (Closing Balance) as per note 6	973.34	393.69
	579.65	(396.81)

Notes 1 to 30 form 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 : June 30, 2021

For and on behalf of the Board of Directors

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Mumbai : June 30, 2021

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DIN : 00409894

Ravishankar Singh
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Compliance Officer
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STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March, 2021

A. Equity Share Capital (Refer Note No. 11)

(₹ in Lakhs)

Particulars	Equity Share Capital
As at 1st April 2019	917.31
Changes in Equity Share Capital	-
As at 31st March 2020	917.31
Changes in Equity Share Capital	96.00
As at 31st March 2021	1,013.31

B. Other Equity (Refer Note No. 12)

(₹ in Lakhs)

	Reserves and Surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings/ Capital Reserve			
Balance as at 1st April 2019	325.00	1,941.37	6.40	-	2,272.78
Capital Reserve	-	0.73	-	-	0.73
Additions during the year	-	571.38	(12.45)	-	558.94
Dividend Paid	-	(45.87)	-	-	(45.87)
Other Adjustments	-	(1.28)	-	-	(1.28)
Balance as at 31st March 2020	325.00	2,466.35	(6.04)	-	2,785.30
Balance as at 1st April 2020	325.00	2,466.35	(6.04)	-	2,785.30
Capital Reserve	-	(0.13)	-	-	(0.13)
Additions during the year	172.80	853.73	0.73	448.00	1,475.26
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	3,274.08	(5.31)	179.20	3,945.76

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 : June 30, 2021

For and on behalf of the Board of Directors

Shirish Anjaria
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Mumbai : June 30, 2021

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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, 2021

NOTE 1 : Summary of significant accounting policies and other explanatory information

1. Company Overview

Dynacons Systems & Solutions Ltd. & its Subsidiary Collective (the Group) is an IT solutions company with global perspectives and is engaged in providing a comprehensive range of end-to-end solutions to customers. Dynacons has the technical expertise and the service delivery infrastructure to serve Customers at a level of quality consistent with their expectations. Dynacons helps in the selection of the right technology and application that will yield the greatest return and build a business case for implementation based on lower Total cost of ownership and higher performance.

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

i) Statement of compliance and basis of preparation

The Consolidated 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 Consolidated financial statements were approved for issue by the Board of directors on 30th June, 2021.

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 2021. 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-21	31-Mar-20
Dynacons Systems & Solutions PTE. Ltd	Singapore	100	100

iv) Principles for 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.

- Lease classification – Note 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 2.14
- Estimated useful life of property, plant and equipment and Intangible assets – Note 2.9
- Estimation of defined benefit obligations— Note 2.13
- Impairment of trade receivables- Note 2.21

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.

2.2. Revenue Recognition

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

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:

nature of credit period given to customers, there is no financing component in the contract.

Contract Balances

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.

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.

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.

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.

2.3. Expenditure Recognition

Expenses are accounted on the accrual basis 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.

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,2020. Accordingly no new accounting standards are adopted by the company during the current year.

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.

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 Parent.

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.

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.

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.

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

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.

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

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.

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.

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.

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.

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.

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 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.

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.

2.18. 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, 2021 which were not at arm's length basis.

2.19. 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.

2.20. 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.

2.21. 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.

2.22. 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 financial year ended 31st March, 2021

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	Lease hold premises
Gross block							
Balance as at 1 April 2019	8.43	-	135.10	2.85	280.37	426.74	-
Re-classification of prepaid lease rentals	-	-	-	-	-	-	222.29
Additions	4.96	-	-	-	-	4.96	-
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 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
Accumulated depreciation/amortisation							
Balance as at 1 April 2019	1.57	-	20.19	1.20	154.17	177.14	-
Depreciation/amortisation for the year	1.04	-	20.51	0.42	53.92	75.89	26.68
Reversal on disposal of assets	-	-	-	-	-	-	-
Balance as at 31 March 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
Net Block							
Balance as at 31 March 2020	10.77	-	94.39	1.24	72.27	178.67	195.60
Balance as at 31 March 2021	9.45	98.89	93.51	3.03	155.46	360.35	278.73

Of the above, charge has been created over Furnitures & Fixtures, Vehicles, Office Equipments and Computers in regard to borrowings (Refer note 18.1)

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
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	0.16	1.07
(220 (31st March, 2020 - 2,000 shares of Amalgamating entity Dena Bank) Equity Shares of ₹ 10 each fully paid up)		
(ii) In Units of Mutual Fund - Quoted, fully paid up		
Bank of Baroda Large & Midcap Fund - Direct Plan - Growth Option	38.84	0.00
(Unit 299675.326 (31st March, 2020 - 0))		
Total	39.00	1.07
(iii) Aggregate amount of:		
-Quoted investments	39.00	1.07
(iv) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument and units of mutual fund through Other Comprehensive Income ('OCI').		
4 INVENTORIES		
Stock-in-trade	4246.66	871.85
Total	4246.66	871.85
Inventories of Rs. 4246.66 lakhs (as at 31st March, 2020: Rs. 871.85 lakhs) are hypothecated against working capital facilities from banks. (Refer note 18.1)		
5 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	1 0,189.53	8,399.57
Trade Receivables which have significant increase in Credit Risk;	17.54	-
Trade Receivables - credit impaired	-	-
	10,207.07	8,399.57
Less Provision for expected credit loss	17.54	-
Total	10,189.53	8,399.57
5.1 Movement in allowance for expected credit loss		
Balance at the beginning of the year	-	-
Amounts written off	-	-
Allowance during the year	17.54	-
Reversal during the year	-	-
Balance at the end of the year	17.54	-

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
5.2 Trade Receivables of Rs. 10189.53 Lakh (as at 31st March, 2020: Rs. 8,399.57 lakhs) are hypothecated against working capital facilities from banks. (Refer note 18.1)		
5.3 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		
5.4 The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 30.7		
5.5 The Company has also considered credit information of its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, is adequate.		
5.6 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 has been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2021.		
6 CASH AND CASH EQUIVALENTS		
Cash on hand	1.29	1.53
Balances with banks in current accounts	505.99	89.88
Demand deposits with Banks	466.06	302.28
Total	973.34	393.69
Deposits Accounts of Rs.466.06/- (As at 31st March, 2020 Rs. 302.28 lakhs) pledged for facilities from Banks. (Refer Note 18.1)		
7 BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS		
-Balances with bank held as margin money	1,352.58	1,350.78
Total	1,352.58	1,350.78
8 SHORT TERM LOANS AND ADVANCES		
Loans & Advances to employees		
-Loans Receivables considered good - Unsecured	19.87	14.21
Total	19.87	14.21
9 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)		
Security Deposits	454.66	265.26
Total	454.66	265.26
10 OTHER CURRENT ASSETS		
Duties & Taxes (Net of provisions)	143.15	622.60
Total	143.15	622.60

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2021
(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
11 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 : (1,01,33,080 Equity shares of ₹ 10 each) (Previous year 91,73,080 Equity shares of ₹ 10 each)	1,013.31	917.31

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

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	91,73,080	917.31	91,73,080	917.31
Issued during the year	9,60,000	96.00	-	-
Equity Shares at the end of the year	1,01,33,080	1,013.31	91,73,080	917.31

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

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	11,60,948	11.46	8,40,948	9.17
Dharmesh Shirish Anjaria	9,56,220	9.44	6,36,220	6.94
Parag Jitendra Dalal	9,47,200	9.35	6,27,200	6.84

11.3 The Company has allotted 9,60,000 equity shares of Rs 10 each at a premium of ₹ 18 per share on a Preferential basis on Mar 31, 2021 against the warrants converted by the holders.

11.4 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.

11.5 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.

11.6 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.

11.7 The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on September 15, 2020, declared an interim dividend of ` 0.50/- per share on the nominal value of ₹ 10/- each and paid to all the eligible shareholders as on September 23, 2020. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2021.

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
12 OTHER EQUITY		
Capital Reserve	0.60	0.73
Securities premium account	497.80	325.000
General reserve	190.46	190.46
Retained earnings	3,083.02	2,275.15
Money received against share warrants	179.20	-
Other comprehensive income	(5.31)	(6.05)
Total	3,945.76	2,785.30
The movement in Other Equity:		
(a) Capital Reserve		
Opening Balance	0.73	-
Add : Consolidation of Susidiary Investments	(0.13)	0.73
Total	0.60	0.73
(b) Securities premium account		
As per last Balance Sheet	325.00	325.00
Add : Premium on shares issued during the year	172.80	-
Total	497.80	325.00
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	2,275.15	1,750.91
Less : Dividend Distributed	(45.87)	(45.87)
Less : Adjustment of Balance in defined plan	-	(1.28)
Add: Profit for the year	853.73	571.38
	3,083.02	2,275.15
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	-	-
Add : Monies received during the year	448.00	-
	448.00	-
Less : Issue of Shares	96.00	-
Less : Transfer to Securities Premium Account	172.80	-
	179.20	-

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.

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
In pursuance of the above the company received Rs. 4,48,00,000/- as under		
a. Rs. 2,46,40,000/- towards 35,20,000 warrant at Rs 7 each.		
b. Rs. 2,01,60,000/- towards 9,60,000 warrant at Rs 21 each of the above 35,20,000 warrants.		
Out of the 35,20,000 convertible warrants issued, 9,60,000 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 Directors and Managing Director of the Company vide the board of directors at their meeting held on 31st March 2021.		
The object of this preferential issue is to utilize the proceeds of the Preferential Issue of warrants convertible into equity shares to meet long term working capital, general corporate purpose and such other purpose as the Board may decide. The Proceeds of issue has been parked in earmarked bank account as at 31.03.2021 and will be utilised for the objects for which it has been raised in subsequent year.		
Total reserves and surplus	3,951.08	2,791.34
(f) Other comprehensive income		
Balance at the beginning of the year	(6.05)	6.40
Add : Movement during the year	0.73	(12.45)
Balance at the end of the year	(5.31)	(6.05)
Total Other Equity	3,945.76	2,785.30
13 Long-Term Borrowings		
Term Loans		
Secured		
From Banks	286.11	31.79
From other	-	7.18
Unsecured		
From Banks	330.70	-
	616.81	38.97
Less:		
Current maturities of long-term loan from bank Secured Loan (included in note 21)	241.63	21.34
Current maturities of long-term loan from bank Unsecured Loan (included in note 21)	13.88	-
	255.51	21.34
Total	361.30	17.64

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

- a) Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company
- b) Term loans from Other Parties were Secured by way of first mortgage / charge on the Vehicles of the Company

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2021
(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
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13.2 Other Details

	Particulars	Security Coverd	Date of Maturity	Number of Installments Due	Applicable Rate of Interest
A	From Banks				
	Yes Bank Ltd	Motor Car	15-Oct-22	6.00	8.78%
	Axis Bank	Motor Car	31-Jan-26	58.00	8.45%
	Bank of Baroda	Stock, Debtors Movable fixed Assets	30-Apr-22	1.00	8.45%

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

Balance at the beginning of the year	38.97	80.30
A) Changes from financing cash flows		
(i) Proceeds from borrowings	700.29	-
(ii) Transaction costs related to borrowings		
(ii) Repayment of borrowings	(122.45)	(41.33)
Total changes from financing cash flows	577.84	(41.33)
B) Other Changes		
(i) Interest expense paid	(13.93)	(9.32)
(ii) Interest expense accrued	13.93	9.32
Total other changes	-	-
Balance at the end of the year	616.81	38.97

14 LEASE LIABILITIES

Lease Liabilities	245.16	159.86
Refer Note no 30.8		
	245.16	159.86

15 LONG TERM PROVISIONS

Provision for employee benefits:

i) Provision for other defined benefit plans		
- Gratuity (Refer Note 30.2)	143.79	108.78
ii) Leave Encashment	-	2.72
Total	143.79	111.50

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2021
(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
16 DEFERRED TAX ASSET NET		
(a) Amounts recognized in profit and loss		
Current tax expense (A)		
In respect of current year	305.11	207.21
Deferred tax expense (B)		
In respect of current year	(13.46)	(22.04)
Adjustments for earlier years (C)		
Tax expense recognized in the income statement (A+B+C)	291.65	185.17

(b) Amounts recognized in other comprehensive income (₹ in Lakhs)

Particulars	For the year ended 31 st March, 2021			For the year ended 31 st March, 2020		
	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	(1.68)	2.41	0.73	(18.94)	6.49	(12.45)
	(1.68)	2.41	0.73	(18.94)	6.49	(12.45)

(c) Reconciliation of effective tax rate (₹ in Lakhs)

Particulars	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
	%	Amount	%	Amount
Profit before tax		1,145.38		571.38
Tax using the Company's domestic tax rate	25.17%	288.27	25.17%	190.40
Tax effect of:				
Expenses disallowed for tax purposes	10.67%	30.75	0.35%	0.72
Permanent Difference	-9.39%	(27.37)	-3.87%	(5.95)
TOTAL	1.28%	3.38	(0.04)	(5.23)
Effective income tax rate	26.44%	291.65	21.65%	185.17

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2021
(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
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(d) **Movement in deferred tax**

Particulars	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Provisions - employee benefits	42.64	33.83	-	-	(42.64)	(33.83)
Property, plant and equipment	-	-	19.34	23.17	19.34	23.17
Lease Rentals	1.65	0.83	-	-	(1.65)	(0.83)
Deferred tax (assets) / liabilities	44.29	34.66	19.34	23.17	(24.95)	(11.49)

17 OTHER NON CURRENT LIABILITIES

Unpaid Dividends	4.38	2.03
Other Payables*	-	6.93
Total	4.38	8.95

* Includes staff dues.

**18 Short Term Borrowings
Secured**

Working Capital Loans : From Banks	3,428.91	3,481.75
Total	3,428.91	3,481.75

18.1 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

19 TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises	14.79	2.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,973.40	4,279.91
Total	7,988.19	4,281.93

Note:

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 March, 2021	As at 31 March, 2020
Principal amount due and remaining unpaid	14.79	2.02
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	-	-

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
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.		
20 LEASE LIABILITIES		
Current Lease Liabilities	60.42	39.03
	60.42	39.03
21 OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt	255.51	21.34
Total	255.51	21.34
Refer Notes No. 13.1		
22 OTHER CURRENT LIABILITIES		
Other Payables*	636.10	480.19
Total	636.10	480.19
* includes statutory dues and others		
23 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	43,593.68	32,884.91
Total	43,593.68	32,884.91
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	40,500.36	29,595.59
Export (Including deemed export)	3,093.32	3,289.32
Total	43,593.68	32,884.91

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	45,567.81	33,297.93
Less: Adjustments		
Sales return	(1974.13)	(413.02)
Revenue from contracts with Customers	43,593.68	32,884.91
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	10,189.53	8,399.57
Allowance as per Expected credit loss model	-	-
Total	10,189.53	8,399.57
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
24 Other Income		
Interest income	131.15	170.25
Others #	0.31	2.71
Total	131.46	172.96
# includes Miscellaneous income		
25 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	42,185.41	27,640.72
Total	42,185.41	27,640.72
26 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	4,246.66	871.85
	4,246.66	871.85
Inventories at commencement		
Stock-in-Trade	871.85	1,679.15
	871.85	1,679.15
Total	(3,374.80)	807.30
27 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,236.61	2,056.79
Contributions to provident and other funds	135.54	121.23
Staff Welfare Expenses	21.52	59.64
Total	2,393.67	2,237.65

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
28 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost	26.31	6.37
b) Interest on borrowings	412.29	322.13
c) Other interest cost	223.13	345.19
d) Others	44.07	84.50
	705.80	758.19
29 Other Expenses		
Electricity Expenses	6.49	10.59
Rent	13.28	58.27
Communication Expenses	26.35	39.86
Auditors Remuneration	9.00	8.55
Bank Charges	11.55	18.28
Conveyance And Travelling Expenses	150.67	265.49
Insurance Charges	15.31	11.70
Legal & Professional Charges	79.60	138.87
Loss On Investments Written off	-	0.51
Loss on expiry of useful life of assets	2.34	-
Membership & Subscription	4.24	2.06
Miscellaneous Expenses	40.16	26.72
Corporate social responsibility expenditure	15.98	2.56
Motor Car Expenses	4.86	6.14
Bad Debts Written off	27.20	-
Printing & Stationary Expenses	3.41	8.79
Rates & Taxes	7.92	6.54
Repairs & Maintenance -Building	5.36	2.57
Repairs & Maintenance - Others	16.21	6.78
Sales Promotion Expenses	6.56	16.50
Transportation Charges	97.40	124.09
Total	543.89	754.88
29.1 Auditors Remuneration		
- Audit Fees	9.00	8.55
- Other	-	-
Total	9.00	8.55

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2021**(₹ in Lakhs)**

Particulars	As at 31 March, 2021	As at 31 March, 2020
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	11.12	7.28
(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 for the balance amount which will be paid in due course.		
Out of CSR fund of F.Y.- 20-21	11.15	-
Out of CSR fund of F.Y.- 19-20	4.83	2.56

Notes forming part of the consolidated financial statements

Additional Information to the Financial Statements

30.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit after Tax	(₹/lakhs)	853.73	571.38
Weighted Number of Equity Shares	Nos. Lakhs	91.51	65.05
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	9.33	6.23
Weighted average number of shares outstanding and dilutive shares	Nos. Lakhs	117.11	116.42
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	7.29	6.23

30.2. 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	2021	2020
		Amount (₹)	Amount (₹)
I.	Assumptions :		
	Discount Rate	6.82%	6.82%
	Salary escalation rate	4.50%	4.50%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	108.78	65.28
	Current Service Cost	35.01	42.23
	Balance	143.79	107.51
	Liability at the end of the year	143.79	107.51
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	143.79	107.51
	Difference Adjusted	-	1.28
	Amount Recognized in the Balance Sheet	143.79	108.78
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	35.01	42.23
	Expense Recognized in P& L	35.01	42.23
V.	Expenses Recognized in the OCI :		
	Current Service Cost	(9.61)	(25.80)
	Expense Recognized in P& L	(9.61)	(25.80)

Maturity Analysis of the Benefit Payments:

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	Year Ended March 31, 2021	Year Ended March 31, 2020
1st Following Year	3.12	6.13
2nd Following Year	3.96	2.74
3rd Following Year	4.37	3.34
4th Following Year	11.35	3.59
5th Following Year	4.97	6.41
Sum of Years 6 To 10	34.09	28.03
Sum of Years 11 and above	341.94	282.22

Sensitivity Analysis

(₹ in Lakhs)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Projected Benefit Obligation on Current Assumptions	143.79	108.78
Delta Effect of +1% Change in Rate of Discounting	(17.90)	(13.32)
Delta Effect of -1% Change in Rate of Discounting	21.73	16.19
Delta Effect of +1% Change in Rate of Salary Increase	21.92	16.41
Delta Effect of -1% Change in Rate of Salary Increase	(18.34)	(13.71)
Delta Effect of +1% Change in Rate of Employee Turnover	3.01	3.02
Delta Effect of -1% Change in Rate of Employee Turnover	(3.63)	(3.64)

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.

30.3. Related Party Disclosures

- a. The names of related parties and the nature of relationship are as under:
 - (i) Holding Company
Dynacons Systems and Solutions Limited

- (ii) Entities in which Directors or their relatives are interested
 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
 Jitesh Jain
 Dilip Parmanand Palicha
 Viren Champaklal Shah
 Archana Phadke
- (v) Other Related Party
 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	2021 (₹ Lakhs)	2020 (₹ Lakhs)
M/s S. P. Corporation	Rent for Premises	1.80	1.80
M/s S. P. Corporation	Reimbursement of Expenses	2.58	2.57
Mr. Shirish M. Anjaria	Remuneration	30.00	30.00
Mr. Parag J. Dalal	Remuneration	27.00	27.00
Mr. Dharmesh S. Anjaria	Remuneration	27.00	27.00
Mr. Ravishankar Singh	Remuneration	1.80	1.41
Dynacons Systems & Solutions Limited	Payment of Dividend by wholly owned subsidiary to holding company	55.28	53.30
Josh Foundation	Corporate social responsibility expenditure	7.50	0.50

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 (₹ in Lakhs)	Amount receivable on Conversion of warrants into equity shares (₹ in Lakhs)
Shirish Mansinh Anjaria	Amount received against the warrant Converted to Equity shares	320000 Warrants	89.60	-
Parag Jitendra Dalal	Amount received the against warrant Converted to Equity shares	320000 Warrants	89.60	-
Dharmesh Shirish Anjaria	Amount received the against warrant Converted to Equity shares	320000 Warrants	89.60	-
Jigna D Anjaria	Amount received against warrant convertible into Equity shares	80000 Warrants	5.60	16.80
Dharmesh S Anjaria (HUF)	Amount received against warrant convertible into Equity shares	160000 Warrants	11.20	33.60
Parag J Dalal (HUF)	Amount received against warrant convertible into Equity shares	160000 Warrants	11.20	33.60
Devangi Parag Dalal	Amount received against warrant convertible into Equity shares	80000 Warrants	5.60	16.80
Shirish M Anjaria (HUF)	Amount received against warrant convertible into Equity shares	160000 Warrants	11.20	33.60
Nilam Shirish Anjaria	Amount received against warrant convertible into Equity shares	160000 Warrants	11.20	33.60
Hasumati Jitendra Dalal	Amount received against warrant convertible into Equity shares	80000 Warrants	5.60	16.80
Pankti Dalal	Amount received against warrant convertible into Equity shares	40000 Warrants	2.80	8.40
Dhvani Dalal	Amount received against warrant convertible into Equity shares	40000 Warrants	2.80	8.40
Trigem Infosolutions Limited	Amount received against warrant convertible into Equity shares	1600000 Warrants	112.00	336.00
			448.00	537.60

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	2021 (₹ in Lakhs)	2020 (₹ in Lakhs)
Income tax	AY 2017-18	CIT Appeals	6.86	6.86

b) Guarantees given by the company's bankers ₹ 3200.03 lakhs (previous year ₹ 3181.54 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, 18 and 21) 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, 2021	As at 31st March, 2020
Non-current borrowings	361.30	17.64
Current maturities of non-current borrowings	255.51	21.34
Current borrowings	3,428.91	3,481.75
Total Debt	4,045.72	3,520.73
Equity	4,959.07	3,702.60
Net debt to equity ratio	0.82	0.95

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 Mar, 2021	As at 31 Mar, 2020
Financial Assets		
Measured at amortised cost		
Trade receivables	10,189.53	8,399.57
Cash and cash equivalents	973.34	393.69
Bank balances other than above	1,352.58	1,350.78
Loans	19.87	14.21
Other Financial Assets	454.66	265.26
Designated at fair value through other comprehensive income		
Investments	39.00	1.07
Total	13,028.98	10,424.58
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	361.30	17.64
Lease Liabilities	305.58	198.88
Short-Term Borrowings	3,428.91	3,481.75
Trade Payables	7,988.19	4,281.93
Other Financial Liabilities	255.51	21.34
Total	12,339.49	8,001.54

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)

		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-21	39.00	39.00	-	0.00
	31-Mar-20	0.89	0.38	-	(018)*

There have been no transfers between levels during the period. Investments costing Rs. 0.51 lakhs has been written off since the bank has been wound up.

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 1 April 2019	1.07	1.07
Addition / (Deletion) during the year	-	-
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

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 noninterest bearing and are generally on 90 to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
0-180 days	9,623.70	8,170.36
More than 180 Days	565.83	229.21
Total	10,189.53	8,399.57

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.

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 look-out 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 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	241.63	375.18
As at 31 March 2020			
Borrowings	3,481.75	3,481.75	-
Trade Payables	4,281.93	4,281.93	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	38.97	21.34	17.64

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, 2021	As at 31 st March, 2020
Financial assets		
Trade receivables	460.71	324.06
Net exposure for assets	460.71	324.06
Financial liabilities		
Trade Payables	607.09	89.96
Net exposure for liabilities	607.09	89.96
Net exposure (Assets - Liabilities)	(146.38)	234.10

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)	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
USD	(7.32)	11.71	7.32	(11.71)

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, 2021	For the year ended 31 st March, 2020
Term loans - long term		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	616.81	38.97
Short term borrowings	3,428.91	3,481.75
	4,045.72	3,520.73

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate	Increase in Interest rate by 0.25%		Decrease in Interest rate by 0.25%	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Term loans - long term	-	-	-	-
Short term borrowings	8.57	8.70	(8.57)	(8.70)

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, 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, 2021:

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at the beginning of the year	198.88	--
Lease liabilities recognised on initial application of Ind-AS 116	-	222.29
Leased liability recognised during the year	148.17	-
Reversals	(8.87)	-
Finance cost accrued during the period	26.31	6.37
Payment of lease liabilities	(58.91)	(29.78)
Balance at the end	305.58	198.88
Lease Liability – Current	60.42	39.03
Lease Liability - Non-Current	245.16	159.85

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.	0.29%	14.56	(0.08)	(68.52)	0.00%	-	(0.08)	(68.52)

30.10 COVID IMPACT

The Company has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

**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 : June 30, 2021

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
*Executive Director &
Chief Financial Officer*
DIN : 00445009
Mumbai : June 30, 2021

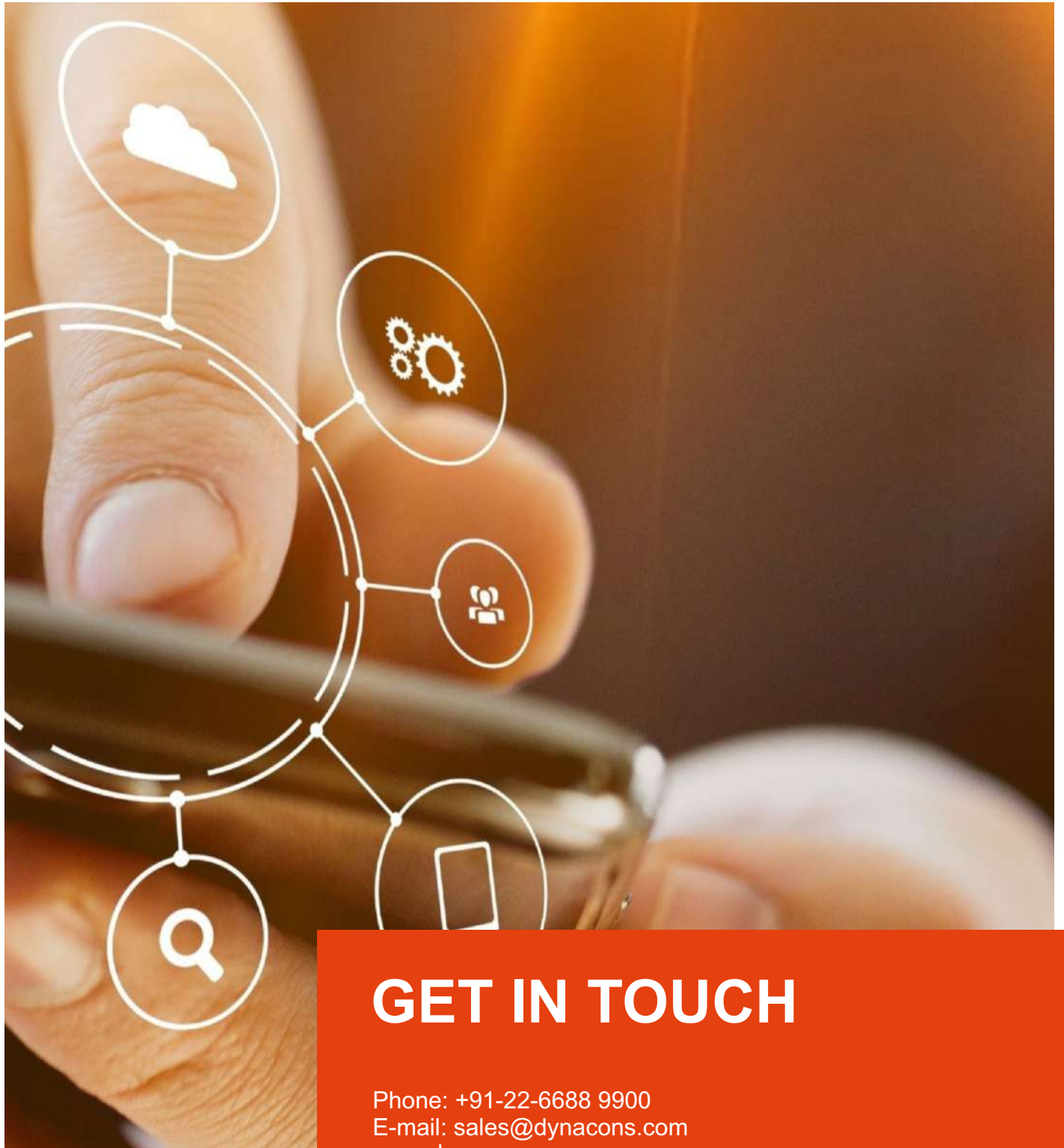
Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
*Company Secretary &
Compliance Officer*
ACS : 22957



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