



September 07, 2020

BSE Ltd.
Corporate Relations Department,
1stFloor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

Script Code: BSE 532365 / NSE DSSL

Dear Sir,

Sub: Annual Report of Dynacons Systems & Solutions Ltd. for Financial Year 2019-2020

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report of the Dynacons Systems & Solutions Ltd. for Financial Year 2019-2020.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For **Dynacons Systems & Solutions Ltd.**

Ravishankar
Suresh
Singh

Ravi Singh
Company Secretary

CC: National Stock Exchange of India Limited
Mumbai

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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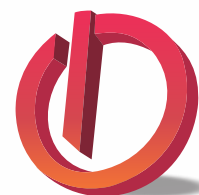


**BRIDGING
THE DIGITAL
DISCONNECT**

2020

**25TH ANNUAL
REPORT**

A Year of Accomplishments



DYNACONS

Overview of our company

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

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.



Specialty Certification



ISO-9001:2008



ISO-14001:2015



ISO-2000-1:2011



ISO-27001:2013

Our big tie-ups

We Work With

Global delivery & execution through partnerships with global players



Recognitions

**DYNACONS IS AWARDED
"ONE OF INDIA'S GROWTH
CHAMPIONS" BY THE
ECONOMIC TIMES**

**DYNACONS IS A WINNER OF
DELOITTE TECHNOLOGY
FAST 50 INDIA
PROGRAMME FOR
THE YEAR 2019**

**DYNACONS RECOGNISED BY
FINANCIAL TIMES (UK) AS
PART OF THE FT1000 HIGH
GROWTH COMPANIES LIST
IN ASIA PACIFIC 2018, FROM
AMONG THE OVER 10
MILLION COMPANIES
EVALUATED BY THEM**



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


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
				++ Many More

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	Director
Smt. Archana Phadke	Director
Shri. Jitesh Jain	Director

COMPANY SECRETARY

Mr. Ravishankar Singh

REGD. OFFICE

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

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

AUDITORS

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

CONTENTS

Notice	9
Director's Report	36
Secretarial Audit Report	45
Corporate Governance Report	69
STANDALONE FINANCIAL STATEMENTS	
Auditor's Report	92
Balance Sheet	100
Profit and Loss Account	101
Cash Flow Statement	102
Notes Forming Part of The Financial Statements	104
CONSOLIDATED FINANCIAL STATEMENTS	
Auditor's Report	135
Balance Sheet	142
Profit and Loss Account	143
Cash Flow Statement	144
Notes Forming Part of The Financial Statements	146

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 30TH, 2020 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, 2020, 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 2019-2020.
3. To appoint a Director in place of Mr. Shirish Anjaria (Din: 00444104), who retires from the office of Chairman cum Managing director by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Issue of Warrants convertible into Equity shares to Promoter and Promoter Group/relatives of promoter, of the Company on Preferential basis**

To consider and if thought fit to pass, the following resolution as **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), as amended from time to time, the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited on which the equity shares of the Company having face value of Rs.10 each (“Equity Shares”) are listed, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended (the “SEBI SAST Regulations”) and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) and/or any other competent authorities (hereinafter referred to as “Applicable Regulatory Authorities”), wherever applicable and subject to such approvals, consents and permissions as may be necessary or required and subject to such conditions as may be applicable (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches upto 35,20,000 warrants convertible into equity shares at a price of Rs. 28/- per warrant, each convertible into One (1) equity share of face value of Rs. 10/- each at a premium of Rs. 18/- per share aggregating to Rs. 9,85,60,000/- (Rupees Nine Crore Eighty-Five Lakhs Sixty Thousand only) to Promoter and Promoter

Group, relatives of promoter as specified below, on a preferential basis, for cash and in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members.

Sr. No.	Name of the Applicant	Number of Warrants applied	Category
1	Shirish Anjaria	3,20,000	Promoter
2	Parag Dalal	3,20,000	Promoter
3	Dharmesh Anjaria	3,20,000	Promoter
4	Shirish Anjaria (HUF)	1,60,000	Promoter Group
5	Parag Dalal (HUF)	1,60,000	Promoter Group
6	Dharmesh Anjaria (HUF)	1,60,000	Promoter Group
7	Devangi Dalal	80,000	Promoter Group
8	Nilam Anjaria	1,60,000	Promoter Group
9	Hasumati Dalal	80,000	Promoter Group
10	Jigna Anjaria	80,000	Promoter Group
11	Trigem Infosolutions Limited	16,00,000	Promoter Group
12	Pankti Dalal	40,000	Relative of Promoter
13	Dhvani Dalal	40,000	Relative of Promoter
	Total	35,20,000	

RESOLVED FURTHER THAT in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the relevant date for the Preferential Issue of the Warrants convertible into Equity Shares is 31st August 2020, being the date 30 days prior to the date of this Annual General Meeting (“Relevant Date”).

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- a) The proposed Warrants convertible into Equity Shares shall be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the proposed Warrants convertible into Equity Shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen (15) days from the date receipt of last of such approvals;
- b) Each Warrants is convertible into One (1) Equity Share and the conversion can be exercised by warrant holder(s) at any time during the period of Eighteen (18) months from the date of allotment of Warrants convertible into Equity Shares, in one or more tranches, as the case may be and on such other terms and conditions as applicable;
- c) The Warrants convertible into Equity Shares proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time;
- d) An amount equivalent to 25% of the issue price will be payable at the time of subscription of Warrants convertible into Equity Shares, as prescribed by the SEBI (ICDR) Regulations, which would be adjusted by the Company and appropriated against the issue price of the Equity Shares. The balance of 75% of the issue price of the equity shares shall be payable by the warrant holder(s) at the time of exercising conversion of warrants.
- e) The warrant holder(s) shall be entitled to exercise the option of exercising any or all of the warrants convertible into equity shares in one or more tranches by way of a written notice which shall be given

to the Company, specifying the number of warrants proposed to be converted along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the Members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account of the warrant holder.;

- f) The Equity Shares to be so allotted on exercise of warrants convertible into equity shares shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend, with the existing equity shares of the Company;
- g) In the event the warrant holder(s) does not exercise the warrants convertible into equity shares within Eighteen (18) months from the date of allotment of the warrants, then such warrants convertible into equity shares shall lapse and the amount paid shall stand forfeited by the Company;
- h) The Equity Shares arising from the exercise of conversion of the warrants will be listed on Stock Exchanges where the Equity Shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall inter-alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority;
- i) The Warrants and Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under the SEBI ICDR Regulations from time to time

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants convertible into Equity shares and allotment of Equity shares on conversion of warrants convertible into Equity shares and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT all action(s) taken by the Board or Committee(s) thereof, any Director(s)/Company Secretary or Officer(s) or any other authorised signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

5. Alteration of Share capital and variation of rights clause of Articles of Association of the Company

To consider, and if thought fit, to approve and pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modifications or re-enactments thereof for the time being in force) and subject to approvals, permissions and sanctions from the appropriate authorities, if any, approval and consent of the members of the company be and is hereby accorded to insert a new Clause IV(iii) and IV(iv) after existing Clause No. IV(i) and IV(ii) of Articles of Association of the Company as under:

Insertion of Point IV(iii) and IV(iv) under Head Share Capital and Variation of Rights with the following:

IV(iii)-Where at any time, the Company proposes to increase its subscribed capital by the issue of

further shares, such as Equity shares or Debentures (whether or not convertible into Equity Shares) it may as they deem fit, for the purpose of providing incentive to any persons, officers, employees and workers of the Company including without limiting the generality of the foregoing, formulation of schemes for the subscription under sweat equity, scheme of employees' stock option plan (ESOP) or employee stock purchase plan (ESOS) either for cash or for a consideration other than cash, subject to the rules and such other conditions, as may be prescribed under Law and subject to Special Resolution passed by the Company, wherever required and to formulate, create, institute or set up such schemes, trusts, plans or proposals, committee(s) etc. and subject to the consent of the Stock Exchanges and Securities and Exchange Board of India (SEBI), the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

IV(iv)-The Board of directors of the Company may list its Shares, Debentures (whether or not convertible into Equity Shares), sweat equity, Securities, stocks on Stock exchanges and other Foreign Exchanges subject to the Rules and such other conditions, as may be prescribed under applicable Laws.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.”

6. Approval of ‘Dynacons-Employees Stock Option Plan 2020’

To consider, and if thought fit, to approve and pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (“the **Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the **SEBI SBEB Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the **Board**” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the ‘Dynacons- Employees Stock Option Plan 2020’ (“**ESOP -2020**”) the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “**Employees**”) selected on the basis of criteria decided by the Board under the ESOP-2020, such number of stock options convertible into Equity Shares of the Company (“**Options**”), in one or more tranches, not exceeding 15,00,000 (Fifteen Lakhs) equity shares of face value of Rs. 10/-each (Rupees Ten), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2020, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity

Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2020 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2020 and the exercise price of Options granted under the ESOP-2020 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/-per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2020.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2020, determine the detailed terms and conditions of the aforementioned ESOP-2020 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the ESOP-2020 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI SBEB Regulations for the purposes of administration of ESOP-2020.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2020 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2020 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2020 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2020 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

7. To extend approval of ‘Dynacons- Employees Stock Option Plan 2020’ to the employees of Holding Company and its Subsidiary Company (ies):

To consider, and if thought fit, to approve and pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act,2013

("the **Act**") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the **SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the **Board**", which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of 'Dynacons- Employees Stock Option Plan 2020' ("ESOP- 2020") proposed in the resolution number 6 above to such persons who are in the permanent employment of the Holding Company and its subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP-2020.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP- 2020 from time to time or to suspend, withdraw or revive ESOP- 2020 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

8. 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:

To consider, and if thought fit, to approve and pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company and its Holding Company or its Subsidiary Company not exceeding One per cent of the issued Capital of the Company, consent of the Shareholders be and is hereby accorded for Grant of options to identified employees under '**Dynacons- Employees Stock Option Plan 2020 (ESOP – 2020)** during any One year, equal to or exceeding One per cent but not exceeding Two per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, on such terms and in such manner as stated in '**Dynacons- Employees Stock Option Plan 2020**'.

9. Re-appointment of Mrs. Archana Vinayak Phadke (Din no.: 07138774) 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, Mrs. Archana Vinayak Phadke (Din no.: 07138774), who was appointed as an Independent Director of the Company by the Board of Directors with effect from 30th September, 2015, 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 Mrs. Archana Phadke 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 30th Annual General Meeting of the Company to be held in the year 2025.

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 03, 2020
Place: Mumbai

Registered Office
78, Ratnajyot Industrial Estate,
Irla Lane, Vile Parle (W),
Mumbai – 400 056
CIN No: **L72200MH1995PLC093130**

NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
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 9 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at the Annual General Meeting for Item no. 3 and 9 is furnished as annexure to the Notice.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. At the 22nd AGM held on September 29, 2017 the members approved appointment of M/s MSP & Co., Chartered Accountants Firm (Firm Registration No.107565W) as Statutory Auditors of the Company to hold office from the conclusion of 22nd AGM till the conclusion of the 27th AGM, 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 25th 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. 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 Thursday, the 24th day of September, 2020 to Wednesday, the 30th day of September, 2020. (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 the Company or Registrar and Share Transfer Agent 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. Members who hold shares in dematerialized form are requested to log in with their DP ID and Client ID numbers for easy identification of attendance at the meeting.
17. 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.
18. Annual Listing fees for the year 2020-2021 has been paid to all stock exchange wherein shares of the Company are listed.
19. 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.
20. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
 1. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.duconinfra.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.
 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.
21. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
22. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
23. **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), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services as provided by National Securities Depository Limited (NSDL).
- II. The remote e-voting period commences on Friday, September 25, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 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 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL services 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. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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.
- 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 csshrutishah@gmail.com, 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 at evoting@nsdl.co.in

B. 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.

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.

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.

C. Other Instructions:

- i. The remote e-voting period commences on Friday, September 25, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 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. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2020, may obtain the login ID and password by sending a request at www.evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting@nsdl.com or contact NSDL at the following toll free no. 1800-222-990.

- iv. 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, 2020.
- v. 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 as well as voting at the AGM through ballot paper.
- vi. Ms. Shruti H. Shah, Practicing Company Secretary (FCS No. 8852) 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.
- vii. 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.
- viii. 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 fifth AGM of the Company on September 30, 2020 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> <p>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.</p>
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, 2020 (9:00 a.m. IST) to September 28 (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 EGM/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 EGM/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 EGM/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 03, 2020
Place: Mumbai

Registered Office
78, Ratnajyot Industrial Estate,
Irla Lane, Vile Parle (W),
Mumbai – 400 056
CIN No: **L72200MH1995PLC093130**

EXPLANATORY STATEMENTS

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 4 ,5,6 and 7 of the accompanying Notice dated August 31, 2020.

ITEM NO. 4

The Board of Directors of the Company at their meeting held on September 03, 2020 had, subject to the approval of the members of the Company ('Members') and such other approvals as may be required, approved the issue of following securities to Promoter and Promoter Group and relatives of promoter of the Company, on a preferential basis, for cash consideration ('Preferential Allotment'):

a) Up to 35,20,000 Warrants convertible into Equity shares, each carrying a right to subscribe to one Equity Share per Warrants convertible into Equity shares, at a price of Rs. 28 per Warrant convertible into Equity shares (including premium of Rs. 18) aggregating to Rs. 9,85,60,000 (Rupees Nine Crore Eighty-Five Lakhs Sixty Thousand Only).

An amount equivalent to 25% of the price of Warrants convertible into Equity shares shall be payable at the time of subscription and allotment of each Warrants convertible into Equity shares and the balance 75% of the price of Warrants convertible into Equity shares shall be payable by the Warrant holder against each Warrants convertible into Equity shares at the time of allotment of Equity Shares on conversion of Warrants convertible into equity shares pursuant to exercise of the options attached to Warrants convertible into Equity shares to subscribe to Equity Share(s).

The amount paid against Warrants shall be adjusted / set-off against the issue price for the resultant Equity Shares.

The Board of Directors of the Company give below disclosures that are required to be given in the explanatory statement to the special resolution to be passed under Section 42 of Companies Act 2013, and in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations'):

1. Object of the issue

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.

2. The total number of shares to be issued

The Board of Directors at its meeting held on 3rd September 2020, had subject to the approval of the Members and such other approvals as may be required, approved the issuance and allotment of up to 35,20,000 Warrants convertible into Equity Shares at a price of Rs. 28 (including premium of Rs. 18) per warrant convertible into Equity share, aggregating to Rs. Rs. 9,85,60,000 (Rupees Nine Crore Eighty-Five Lakhs Sixty Thousand Only) to Promoter, Promoter group and relatives of promoter of the Company for cash consideration, on a preferential basis.

3. Price at which the allotment is proposed

The Warrants convertible into Equity Shares to be issued and allotted will be of the face value of Rs.10/- each and will be issued at Rs. 28/- per share (including a premium of Rs. 18/- per share)

4. Basis on which the price has been arrived

The issue price is determined in accordance with the Regulations as applicable for Preferential Issue as contained in Chapter V of the SEBI (ICDR) Regulations, 2018 as amended till date. The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR

Regulations and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining the issue price in accordance with the SEBI ICDR Regulations. The Warrants convertible into Equity Shares issued and allotted in terms of the special resolution as set-out in item no. 5 of the accompanying notice, shall rank paripassu in all respect with the existing Equity Shares on conversion of warrants convertible into equity shares.

5. Relevant Date with reference to which the price has been arrived

In terms of the provisions of Chapter V of the SEBI ICDR Regulations, relevant date for determining the issue price for the Preferential Issue is 31st August 2020, being the date 30 days prior to the date of this Annual General Meeting (AGM).

6. The class or classes of persons to whom the allotment is proposed to be made

As stated earlier, it is proposed to allot 35,20,000 Warrants convertible into Equity Shares to promoter on a preferential basis through cash.

7. Intent of the Promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Issue; contribution being made by the Promoters or Directors either as part of the Preferential Issue or separately in furtherance of the objects

The Promoter, Promoter group and relatives of promoter have proposed to subscribe for all 35,20,000 warrants convertible into equity shares.

8. Names of the proposed allottees and the percentage of post-preferential offer capital that may be held by them

The details of the proposed allottees and the percentage of post preferential offer capital that will be held by

Sr. No.	Name of Applicant	Warrant (Nos)	Pre-Share holding	Post-Share holding	% Post-Share holding	Category
1.	Shirish Anjaria	320000	840948	1160948	9.15	Promoter
2.	Parag Dalal	320000	627200	947200	7.46	Promoter
3.	Dharmesh Anjaria	320000	636220	956220	7.53	Promoter
4.	Shirish Anjaria (HUF)	160000	253543	413543	3.26	Promoter Group
5.	Parag Dalal (HUF)	160000	310077	470077	3.70	Promoter Group
6.	Dharmesh Anjaria (HUF)	160000	250000	410000	3.23	Promoter Group
7.	Devangi Dalal	80000	189640	269640	2.12	Promoter Group
8.	Nilam Anjaria	160000	364602	524602	4.13	Promoter Group
9.	Hasumati Dalal	80000	64816	144816	1.14	Promoter Group
10.	Jigna Anjaria	80000	211463	291463	2.30	Promoter Group
11.	Trigem Infosolutions Limited	1600000	486475	2086475	16.44	Promoter Group
12.	Pankti Dalal	40000	-	40000	0.32	Relative of Promoter
13.	Dhvani Dalal	40000	-	40000	0.32	Relative of Promoter
	Total	3520000	4234984	7754984	61.10	

them shall be:

9. Proposed time within which the allotment shall be completed

As required under the SEBI ICDR Regulations, the Warrants convertible into Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of this Resolution, provided that where the allotment of the proposed Warrants convertible into Equity Shares is pending on account of receipt of any approval or permission from any regulatory or statutory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

10. The change in control if any, of the Company that would occur consequent to preferential offer

There shall be no change in control of the Company pursuant to the issue of Warrants convertible into Equity Shares.

11. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

No allotment(s) has been made on a preferential basis from the beginning of the year to the date of issue of this notice.

12. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

A report of registered valuer is not required for the Preferential Allotment, under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014.

13. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control;

Sr. No.	Name of Allottee	Beneficial Owner
1	Shirish Anjaria	Shirish Anjaria
2	Parag Dalal	Parag Dalal
3	Dharmesh Anjaria	Dharmesh Anjaria
4	Shirish Anjaria (HUF)	Shirish M. Anjaria (Karta), Nilam S. Anjaria, Dharmesh S. Anjaria, Jigna D. Anjaria, Rishabh D. Anjaria, Dia D. Anjaria
5	Parag Dalal (HUF)	Parag J. Dalal (Karta), Devangi P. Dalal, Pankti P. Dalal, Dhvani P. Dalal
6	Dharmesh Anjaria (HUF)	Dharmesh S. Anjaria (Karta), Jigna D. Anjaria, Rishabh D. Anjaria, Dia D. Anjaria
7	Devangi Dalal	Devangi Dalal
8	Nilam Anjaria	Nilam Anjaria
9	Hasumati Dalal	Hasumati Dalal
10	Jigna Anjaria	Jigna Anjaria
11	Trigem Infosolutions Limited	Shareholders of Trigem Infosolutions Limited
12	Pankti Dalal	Pankti Dalal
13	Dhvani Dalal	Dhvani Dalal

14. Shareholding Pattern before and after preferential issue of the capital would be as follows:

The pre issue and post issue shareholding pattern of the Company –

Sr. No.	Category	*Pre Issue		Post Issue#	
		No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
A	Promoters" holding –				
	1. Indian				
	Individual	3748509	40.86	5668509	44.66
	Body Corporate	486475	5.30	2086475	16.44
	Sub Total	4234984	46.17	7754984	61.10
	2. Foreign Promoters	-	-		
	Sub Total (A)				
B	Non-Promoters Holding–				
	1. Institutional investors	280	0.00	280	0.00
	2. Non-Institution				
	Corporate Bodies	116678	1.27	116678	0.92
	Directors	-	-	-	-
	Indian Public	4297955	46.85	4297955	33.86
	Others(Including NRIs)	523183	5.70	523183	4.12
	Sub Total (B)	4938096	53.83	4938096	38.90
	GRAND TOTAL (A+B)	9173080	100.00	12693080	100.00

Note- *Pre-Shareholding pattern as on 30th June, 2020.

assuming full conversion of warrants

16. Lock-in Period

The Equity Shares will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 167 and 168 of the SEBI ICDR Regulations.

17. Disclosures specified in Schedule VI of SEBI (ICDR) Regulations, 2018, if the issuer or any of its promoters or directors is a willful defaulter:

None of the Company, its Directors or Promoter have been declared as willful defaulter as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations.

18. Undertakings:

The Company hereby undertakes that:

- (i) It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required;
- (ii) If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations the above warrants/shares shall continue to be locked-in till the time such amount is paid by the allottees.

In accordance with the SEBI ICDR Regulations,

- (i) all the Equity Shares held by the proposed allottees in the Company are in dematerialized form only;
- (ii) No person belonging to the promoters / promoter group have sold/transferred any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date
- (iii) No person belonging to the promoters / promoter group has previously subscribed to any warrants of the

Company but failed to exercise them; and

- (iv) valuation requirement is not applicable as the securities are proposed to be issued for cash consideration. The issue of warrants and resultant Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only.

19. Auditors' Certificate

The certificate from M S P & Co., Chartered Accountants, being the Statutory Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the meeting.

20. Other disclosures

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares to Promoter, Promoter Group and relatives of promoter of the Company is being sought by way of a special resolution as set out in the said item of the Notice. Issue of the Warrants convertible into Equity Shares pursuant to the Preferential Issue would be within the Authorized Share Capital of the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company.

Mr. Shirish Anjaria, Chairman cum Managing Director, Mr. Dharmesh Anjaria and Mr. Parag Dalal, Executive Director may be deemed to be interested in the resolution to the extent of warrants/shares are proposed to be allotted to them/to their relatives. Except them, none of the Directors, Key Managerial Personnel of the Company or their respective relatives, is concerned or interested in the above said resolution; however they may be deemed to be concerned to the extent of change in the percentage of their voting rights in the post equity shareholding in the Company, if any.

ITEM NO. 5

The Company proposes to issue shares to the employees/ directors of the Company under the scheme of Employee Stock Option Plan to reward the employees/directors of the Company for their performance and to motivate them to contribute to the overall corporate growth and profitability. For that Company intends to insert new clause i.e. clause IV(iii) and IV(iv) under Head Share Capital and Variation of Rights in the Articles of Association of the Company to issue sweat equity shares and/or ESOP to its employees including Directors and/or to the Employees including Director of its Subsidiary Company and/or Employees including Directors of its Holding Company.

Your Director at their meeting held on September 3, 2020 had given their consent (subject to the approval of members and other regulatory) for inserting clause IV(iii) and IV(iv) in the Articles of Association of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 5 of the Notice.

ITEM NO. 6 and 7

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Holding Company or its Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Holding Company or its

Subsidiary Company(ies) on the growth path.

Keeping in line with the above, “Dynacons- Employees Stock Option Plan 2020” (‘the Scheme’) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on September 3, 2020, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company’s Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2020;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave;
- The procedure for cashless exercise of options, if any; and
- Any other related or incidental matters.

Major details of the Scheme are as given below:-

a) *Brief Description of the Scheme is given as under:*

“Dynacons- Employees Stock Option Plan 2020” (‘the Scheme’) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on September 3, 2020, subject to the approval of the members.

b) *The total number of options to be granted*

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 15,00,000 (Fifteen Lakhs) equity shares of Rs. 10/-each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/or unvested options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of ESOP-2020.

c) *Identification of classes of employees entitled to participate and be beneficiaries in the Scheme.*

All permanent employees working in India or out of India and Directors (whether Managing/Whole time Director or not) of Company and its Holding Company and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) *Terms of the scheme:*

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

e) *Transferability of Employee Stock Options:*

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to Holding Company and its subsidiary company (present or future) prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee, even after the transfer or deputation.

f) *Requirements of vesting and period of vesting*

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2020.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr.No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement.
5	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.
6	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The NRC / Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

g) *Maximum period within which the options shall be vested*

The maximum vesting period may extend up to 7 (Seven) years from the date of respective grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

h) Exercise price or pricing formula

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be as may be decided by the Committee as is allowed under the SBEB Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates.

i) Exercise period and process of exercise

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

j) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

k) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOP-2020 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

l) Maximum quantum of benefits to be provided per employee under a Scheme

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

m) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

n) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

o) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

p) Disclosure and accounting policies

The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other

Applicable Laws as in force. Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI(SBEB) Regulations (including disclosure as specified under regulation 15) as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

q) *The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc*

NotApplicable

r) *Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).*

NotApplicable

s) *Method of Valuation of options*

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

Since the company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the company opts for expensing of share based employee benefits using the intrinsic value intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

t) *Rights of the option holder*

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

u) *Consequence of failure to exercise option*

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

v) *Other terms*

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2020, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all

other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. [6] and [7], except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. [6] and [7] of the Notice for adoption by the Shareholders as Special Resolution/s.

ITEM NO. 8

The resolution set out at Item No. 6 and Item No. 7 provides that a Company may grant option to an employee and to a director of the Company and its Holding Company and its subsidiary company (ies) not exceeding one per cent of the issued capital of the Company in one year. However, the Company may identify certain employee/s to whom it may be necessary to grant options exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. [8] provides that the Company may grant option equal to or exceeding One per cent but not exceeding Two per cent in One year to identified employee/s or director/s of the Company and its Holding Company and its subsidiary.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. [8], except to the extent of their entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolutions set out in Item No. [8] of the Notice for adoption by the Shareholders as special resolution.

ITEM NO. 9

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.

Mrs. Archana Phadke, Non-executive Director of the Company, whose appointment as an Independent Director of the Company w.e.f. 30th September, 2015 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. Mrs. Archana Phadke 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 03rd September, 2020 after taking into account the performance evaluation of Mrs. Archana Phadke, Independent Director, during her first term of five years and considering the knowledge, expertise and experience and the contribution made by her during her tenure as an Independent Director since her appointment, has recommended to the Board that continued association with her 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 Mrs. Archana Phadke 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 30th Annual General Meeting of the Company to be held in the year 2025 and not liable to retire by rotation.

In compliance with the provision of Section 149 of the act, the appointment of Mrs. Archana Phadke, as an independent director is now being placed before the members for their approval.

A brief profile of Mrs. Archana Phadke 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. 9 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 9 of the Notice except Mrs. Archana Phadke.

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

Particulars	Mr. Shirish Anjaria	Mrs. Archana Phadke
Director Identification Number (DIN)	00444104	07138774
Date of Birth	30/09/1944	17/08/1948
Date of First Appointment on the Board	26/09/1995	27/03/2015
Experience in functional Area	Shirish M. Anjaria is a business leader with successful & fruitful career of over five decades. He has wide experience across industries and has rich exposure in Business Management, Corporate Affairs and customer relations. Under his Chairmanship, Dynacons has forged strategic alliances with global IT majors such as IBM, Intel, HP, Microsoft, Lenovo, Sony, Cisco etc. He was also the founder of the Millenium PC initiative which was recognised by Intel, USA.	Over 40 years of experience in the areas of Business Administration, Operations and Corporate Affairs
Qualification	Graduate in Science and holds a post graduate degree in Law. He is a Certified Associate of the Federation of Insurance Institutes.	Commerce Graduate
Directorship in other Companies(Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2019-20	Please refer Corporate Governance Report section of the Annual Report 2019-20
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. 2019-20		
Remuneration Proposed	Upto Rs. 7,50,000/- per month	N.A.
Remuneration Paid	Rs. 1,75,000 /- 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 03, 2020
Place: Mumbai

Registered Office
78, Ratnajyot Industrial Estate,
Irla Lane, Vile Parle (W),
Mumbai – 400 056
CIN No: L72200MH1995PLC093130

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Directors Report

Your Directors are pleased to present the **Twenty Fifth** Annual Report on the business and operations of the Company for the year ended March 31, 2020.

1. Financial Highlights

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2020	Year ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
Gross Income	33,018.39	30,489.77	33,057.87	31,190.82
Profit Before Finance Cost and Depreciation and Amortisation Expenses	1,666.61	1,296.21	1,617.32	1,404.09
Provision for Depreciation and Amortisation Expenses	102.57	72.18	102.57	72.18
Profit Before Finance Cost	1,564.04	1,224.03	1,514.75	1,331.91
Finance Cost	758.19	592.91	758.19	592.91
Net Profit Before Tax	805.85	631.12	756.55	739.00
Provision for Tax	194.10	212.51	185.17	221.93
Net Profit After Tax	611.75	418.61	571.38	517.07
Balance of Profit brought forward	1,635.61	1,217.01	1,750.91	1,233.84
Balance available for appropriation	2,200.22	1,635.61	2,275.15	1,750.91

2. Management Analysis and Discussions

Company performance:

We had a very productive year, engaging with customers in their innovation, growth and transformation initiatives, expanding and deepening our relationships, deploying very impactful solutions. As we look back at fiscal 2020, our strategic direction has yielded strong results. Our clients have increased their trust in us. Our Standalone revenues of Rs. 33,018.39 Lakhs as compared with Rs. 30,489.77 Lakhs during the previous year, reflected a growth of 8% over the previous year. The profit before tax stood at Rs. 805.85 Lakhs as compared to Rs. 631.12 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 194.10 Lakhs and the profit after tax stood at Rs. 611.75 Lakhs for the current year, an increase of 46% over the previous year.

On a consolidated basis, the revenue from operations for FY 2020 at Rs. 33,057.87 Lakhs was higher by 6% over the previous year (Rs. 31,190.82 Lakhs in FY19). The profit before tax stood at Rs. 756.55 Lakhs as compared to Rs. 739.00 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 185.17 Lakhs and the profit after tax stood at Rs. 571.38 Lakhs for the current year. Dynacons has historically grown much faster than the market. . The continued focus is to build new capabilities and even new business models. 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.

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.

COVID-19

In the month of March 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing many countries to enforce lock-downs of all economic activity. As the pandemic spread, your company prioritized the health and safety of its employees, kept customers' mission- critical systems running under very difficult

circumstances. The lockdown tested our delivery teams agility, resilience, flexibility and adaptability. We were able to shift our operations from office to a Work from Home model seamlessly and this enabled us to work with minimum disruption in these pandemic times. We enabled our employees to ensure that they were able to support our customers as per their requirements. Remote access was enabled for our employees while maintaining stringent security controls.

Our focus has been and remains the safety of our employees, the delivery of service to our clients, and the financial well-being of the Company. We remain extremely focused on the needs of our clients in this environment and even more ready to expand our support of our clients as the world collectively emerges from the unprecedented situation.

A true test of character is – Adversity. When we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. With cloud and the new class of collaboration tools, people are discovering that they are able to collaborate with each other just as well working from home, as they did in person in the pre-COVID era.

Employers are discovering that the productivity is just as good, if not better, in this new way of working. We believe that while this pandemic is creating difficulties for various sectors, it is also leading to many opportunities for new business avenues for the IT Industry.

Industry Overview

The global information technology industry is on pace to reach \$5.2 trillion in 2020, according to the research consultancy IDC. Economies, jobs, and personal lives are becoming more digital, more connected, and more automated. Enterprises are advancing on their digital transformation journey to adapt to rapidly changing markets, business needs and consumer preferences.

Software and computing technology is transforming businesses in every industry around the world in a profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology-enabled services are fueling the rapid digitization of business processes and information. The digital revolution is cascading across industries, redefining customer expectations, automating core processes and enabling software-based disruptive market offerings and business models. This disruption is characterized by personalized user experiences, innovative products and services, increased business agility, extreme cost performance and a disintermediation of the supply chain.

Firms are looking beyond the products they make and sell, to the purpose behind their existence, which in turn is helping define the blueprint for their transformation journey. The sharp shift in consumer preferences will force enterprises to significantly accelerate their digital transformation initiatives. They will also invest heavily in building resilience at every level, on the front-end as well as in back-office operations. At times like this, it is more important than ever, to stay close to the customer.

Dynacons' customer centric philosophy allowed it to work closely with customers, and be agile in responding to their needs. These deep relationships, the broad and diversified global footprint, spanning all major markets and industries, makes your Company's business well positioned to weather any storms ahead.

Business Overview

Dynacons is an IT System Integrator and Managed services organization offering IT Infrastructure solutions as well as outsourcing services to enterprises. Dynacons undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data centre infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi- location infrastructure of domestic clients. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure. The company 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 growth trajectory is driven by Concept, Capability & Culture. A value-creating concept, expanding capabilities and a healthy work culture are the cornerstones of everything we do at Dynacons. Our rich portfolio of service offerings span across the IT infrastructure lifecycle of Plan-Build-Run-Monitor. 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.

Digital technologies – especially cloud, IoT, AI and Machine Learning – have opened tremendous opportunities to innovate and transform some or all the components of the enterprise's operations stack – the business processes, the supporting systems and underlying infrastructure. We are helping customers build a new future-proof IT Infrastructure, that is agile, efficient, scalable, and resilient. Newer technologies open up the possibility of accomplishing a certain task faster, better or cheaper. As a customer-centric organization, we will keep looking for newer, better solutions to achieve a certain business outcome, and offering those to our customers. We keep building our portfolio of capabilities in order to meet the customer expectations thereby gaining trust. This goodwill translates into incremental business for the company.

Cloud computing is still a driver of both IT tactics and IT strategy. As an established technology, companies are now in the next phase of cloud adoption, taking a holistic view of their IT architecture and reconfiguring workflow to take maximum advantage of cloud benefits. Networking is an area being constantly upgraded as data demands grow. Storage solutions need to match workflow demands, and solid backup plans are key for ongoing operations. Server administration is still a key role since very few companies are shifting to 100% cloud-based architecture.

Cloud adoption will continue to rise as companies embrace flexible consumption through both hybrid and multicloud environments. For many companies, the hybrid-cloud approach serves as an interim step in the long process of digital transformation. Due to several factors, including a reliance on legacy systems and the need to comply with corporate regulations, many organizations have opted to place their workloads on both private and public clouds. Automation and Cloud technologies are no longer optional but are core components of any business transformation project. As businesses reinvent and transform themselves, only the enterprises that can compete via technology innovation, acceleration, and flexibility will survive.

In the near term, enterprises are responding to the crisis by spending on workplace and collaboration tools, cyber-security and cloud adoption. Technology is seen as a source of competitive differentiation in every industry today, and technology intensity – or spend on technology as a percentage of revenue – is rising. This expands the market opportunity for our company. The strategy has been on expanding our addressable market by continually launching new services, products and platforms, catering to the priorities of an expanding set of stakeholders in the enterprise. We have immense confidence in our ability to sustain longer term growth and value creation for our stakeholders.

Enterprises are increasingly moving to adopt Next Generation Data Centre Services. 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 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.

Modern enterprises are embracing digitalization as a business model for their network infrastructure. We help customers future-proof their network infrastructure and network applications with an end-to-end portfolio of network services and solutions. The service portfolio encompasses strategy, design, and implementation across a range of requirements and network applications covering Software defined DC and WAN, Unified communications and collaboration and Network automation. We help them deploy secure, fast and programmable networks which can scale and transform per changing business needs. These include life cycle management services that span strategy, design, implementation and managed services across data and collaboration networks and cover strategy definition, audit services, risk assessment and mitigation planning, policy definition and implementation unified communication services, software-defined networks and network services brokerage.

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. 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. The Company has won several contracts with large BFSI and Global enterprises such as Life Insurance Corporation, Facebook, Standard and Poor etc for their workplace requirements.

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. Our IT infrastructure management services offer the experience, talent, and tools required to help you create, run, and manage next-generation IT infrastructure. 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.

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. 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. 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.

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 track record of execution excellence have resulted in consistently high customer satisfaction levels and long, enduring customer relationships. The resultant expansion in relationship capital translates into a very high level of repeat business that lends greater visibility and predictability to the business model.

The focus is on constantly investing in building newer capabilities and expanding its 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. This further broadens and deepens the contextual knowledge of customers' business and IT landscapes. The 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 as a responsible corporate citizen and a proven track record in delivering longer term stakeholder value.

As our company enters its 25th year – the secret behind its longevity and sustainability is being purpose driven, flexible and adaptable to changing scenarios and technologies and following the goal of being relevant to its customers and other stakeholders. Our mission of using technology to help customers has served as a beacon that has guided our customer-centric strategy, our policies and our decision-making over the years. This has helped us stay relevant to our customers through their evolving needs.

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. We value both our internal stakeholders and external stakeholders. Our investments, our empathy, and our commitment is what makes our employees feel valued, and which gets reciprocated with unmatched levels of energy and dedication to our organizational purpose. With our customers our customer-centricity and commitment to helping them succeed in their businesses, have helped us establish enduring customer relationships and abiding trust. We look forward to continuing to build on the trust of our clients.

Looking ahead to 2020, firms that manage to thrive will be making investments in skills training, expanding their market reach to new customers and verticals, partnering with potential competitors, and embracing emerging tech.

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

Awards, Certifications and Recognitions

In Fiscal 2020 we won multiple awards and recognitions.

Dynacons' has been ranked 60th in Economic Times India's Growth Champions list of the fastest growing companies among all Industries in India. The inaugural Economic Times India's Growth Champions list is an initiative that aims to highlight true accelerators of the Indian economy. A place in this ranking represents a high-profile acknowledgement of a Company's performance that extends far beyond its specific industry. India's Growth Champions reflects Company's mercurial growth and rising stature, which will act as a multiplier effect to further speed up growth. 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.

Your Company is recognized as part of the Deloitte Technology Fast 50 India 2019, a ranking of the 50 fastest growing technology companies in India. Rankings are based on percentage revenue growth over three years. The Deloitte Technology Fast 50 India program, which was launched in 2005, is conducted by Deloitte Touche Tohmatsu India LLP (DTTILLP), and is part of a truly integrated Asia Pacific program recognising the India's fastest growing and most dynamic technology businesses (public and private) and includes all areas of technology - from internet to biotechnology, from medical and scientific to computers/hardware. The program recognises the fastest growing technology companies in India based on their percentage revenue growth over the past three financial years. Your Company is seeing a tremendous amount of growth across the systems integration and managed services areas, and are confident that our leadership and innovation in this space will continue to propel our growth. This continued recognition validates our commitment to helping our clients align their technology initiatives with their business goals.

Strengths

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 provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms.

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 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 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

Our work across industries, value chains, and geographies, gives us keen insights into the pattern of changes impacting the fundamental wiring across a diverse set of businesses, and we believe with this understanding, we can help our clients pick up the right signals and work out what's next. Over the years, we have invested in building differentiated capabilities such as Specific industry domain and technology expertise, and end-to-end service offering capabilities in systems integration, and infrastructure management. 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. The Company has also driven agility in its internal processes that enhance competitiveness. The Company has been appraised at Maturity Level 3 of the Capability Maturity Model Integration for Development. The customer-centricity, rigor in operations and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels.

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. A strong emphasis is based on quality in every aspect of the Company's activities. In line with this philosophy we have designed our quality management program and have defined several key parameters for measurement of quality levels to ensure improvement in the quality of the deliverables.

Your Company has an enduring focus on operational and delivery excellence and towards sustainable growth on the path of business Excellence. We continue 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. 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

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 are entering the new fiscal year at a time when all major economies have been brought to a standstill. The impact has been very fast and widespread, and the next few months will be very difficult for everyone, individuals and organizations. The next few months will be difficult, but your company is strong with deep

relationships with customers and partners, enviable scale, a diversified business mix, a robust and resilient business model, and strong financials. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share. We pivoted our attention to the new needs of our clients – cloud, workplace transformation, cost efficiency and automation and we see good growth in these areas.

There will be a short period of dislocation in some sectors due to the complete stalling of all economic activity, but once things settle down, you will see spending on these themes return. Different sectors will recover at different rates, but technology will remain front and center of every organization's strategy to innovate, differentiate itself and grow.

During these difficult times, we are staying close to customers and helping them develop and implement their own purpose-driven strategies, and enhance their organizational resilience and adaptability so they can survive future shocks, pivot into new business models or launch new offerings and thrive. Consequently, in the medium to long term, it is very likely that businesses will continue to spend on technology-related initiatives with a greater focus on automation, remote working, cloud-based applications, optimization of legacy technology costs, etc.

The key focus is to stay abreast with technology change, continually investing in building capabilities on newer technologies, and creatively harnessing the power of those technologies in bespoke ways for our customers. 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.

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.

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 also. 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.

Threats:

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. 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 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

Company's objectives and expectations may be forward looking within the meaning of applicable laws and regulations. The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, among others. The Company has Enterprise Risk Management

Framework, which involves risk identification, risk assessment and risk mitigation planning for the Company. Technology investments by corporates have shown strong correlations with GDP growth. Uncertainties in economic outlook in these markets can impact technology spend, and thereby constrain the Company's growth potential.

Your Company has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their business needs. The Company strategy is not dependent on any single technology or platform.

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. 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.

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 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.

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. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. Understanding employee engagement and views on the employment experience periodically in our view is not reflective of the needs of the workforce today.

Dynacons Systems & Solutions Limited has an audit committee, the details of which have been provided in the corporate governance report. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggest improvements to strengthen the same.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

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.

3. Dividend

For FY 2020, 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 2019-2020 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 22, 2019. The interim dividend paid is considered as final dividend for the financial year ended March 31, 2020.

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, 2020, since the Company has declared an interim dividend for the FY 2019-2020 on the equity shares.

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.

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

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

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

The Company has a subsidiary Dynacons Systems & Solutions Pte. Ltd. as on March 31, 2020. 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. Shirish Anjaria, Chairman cum Managing Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the resolutions for your approval for the above appointment.

On recommendation of Nomination & Remuneration Committee, the Board of Directors in its meeting held on September 03, 2020, had re-appointed Mrs. Archana Phadke for a period of Five years, subject to approval of Members.

All the above appointments/re-appointments by the Board of Directors are based on the recommendation of

the Nomination and Remuneration Committee. The resolutions for aforementioned appointment/re-appointments and for payment of remuneration to Managing Director, Whole time- Director together with requisite disclosures are set out in the Notice of the ensuing 25th AGM. The Board recommends all the resolutions for your approval.

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 Statutory Auditors' 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, 2020 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, 2014.

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

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

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.

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

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

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.

20. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, Ms. Shruti Shah, Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y. 2019-2020. 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. 2019-2020 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, 2019 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report, however contains the following observation from Secretarial Auditor.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark however contains the following observation from Secretarial Auditor.

During the year under review the Company has some unspent amount of CSR as per the provisions of Companies Act 2013, however the Board has informed that the CSR Committee of the Company has identified & approved projects for the balance amount which will be paid in due course, since few of the CSR activities projects approved during the year are of larger gestation period and is taking longer time for implementation. Such projects are still under progress at different stages and will be completed in a year.

Board's Response:

The Company had during the year under review taken steps to comply with the provisions of Companies Act, 2013 and rules framed thereunder pertaining to CSR and initiatives had been taken for project identification for spending the amount for CSR Activities.

CSR Committee has identified & approved projects for the balance amount which will be paid in due course, since few of the CSR activities projects approved during the year are of larger gestation period and is taking longer time for implementation. Such projects are still under progress at different stages and will be completed in a year.

22. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2020 is Rs. 9,17,30,800 divided into 91,73,080 Equity shares of Rs. 10 each which is same as at the previous year end.

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 has not issued any shares on preferential basis during the year under review.

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 working capital facilities for a total amount of Rs. 35.00 Crores. Acuite has also assigned Acuite A3+ rating for the Long-term/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, 2020 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.2464.71 Lakhs (previous year 1451.03 Lakhs)

Foreign Exchange Outgo : Rs.352.40 Lakhs (previous year 1923.52 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.

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 www.dynacons.com.

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 2019-20 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.Acknowledgements

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

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

For and on behalf of the Board of Directors

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Date: September 03, 2020

Place: Mumbai

Annexure I**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020****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-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2778509	970000	3748509	40.86	3748509	0	3748509	40.86	0.00
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.	71475	415000	486475	5.30	486475	0	486475	5.30	0.00
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)	2849984	1385000	4234984	46.17	4234984	0	4234984	46.17	0.00
(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)	2849984	1385000	4234984	46.17	4234984	0	4234984	46.17	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	280	0	280	0	280	0	280	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-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Foreign portfolio Investors	17217	0	17217	0.19	0	0	0	0	(0.19)
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	17497	0	17497	0.19	280	0	280	0	(0.19)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	168714	0	168714	1.84	116811	0	116811	1.27	(0.57)
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	2858916	40660	2899576	31.61	2726824	39140	2765964	30.15	(1.46)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	592164	880000	1472164	16.05	1571367	0	1571367	17.13	1.08
c) Others (specify)	380145	0	380145	4.14	483674	0	483674	5.27	1.13
Non Resident Indians	203495	0	203495	2.22	233795	0	233795	2.55	0.33
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	8327	0	8327	0.09	20576	0	20576	0.22	0.13
Trusts	0	0	0	0	0	0	0	0	0
Hindu Undivided Family(HUF)	168323	0	168323	1.83	229303	0	229303	2.50	0.67
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	3999939	920660	4920599	53.64	4898676	39140	4937816	53.83	0.19
Total Public Shareholding (B)=(B)(1)+(B)(2)	4017436	920660	4938096	53.83	4898956	39140	4938096	53.83	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6867420	2305660	9173080	100.00	9133940	39140	9173080	100.00	0

B) Shareholding of Promoter (including Promoter Group):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% 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	840948	9.17	0	0
2	DHARMESH S. ANJARIA	636220	6.94	0	636220	6.94	0	0
3	PARAG J. DALAL	627200	6.84	0	627200	6.84	0	0
4	NILAM S. ANJARIA	364602	3.97	0	364602	3.97	0	0
5	JIGNA D. ANJARIA	211463	2.31	0	211463	2.31	0	0
6	DEVANGI PARAG DALAL	189640	2.07	0	189640	2.07	0	0
7	HASUMATI DALAL	64816	0.71	0	64816	0.71	0	0
8	SHIRISH M. ANJARIA (H.U.F)	253543	2.76	0	253543	2.76	0	0
9	TRIGEM INFOSOLUTIONS LIMITED	486475	5.30	0	486475	5.30	0	0
10	PARAG J. DALAL (H.U.F)	310077	3.38	0	310077	3.38	0	0
11	DHARMESH S. ANJARIA (H.U.F.)	250000	2.73	250000	2.73	0	0	0
	Total	4234984	46.17	0	4234984	46.17	0	0

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	Nil	0.00	Nil	0.00
		At the end of the year	840948	9.17	840948	9.17
2	DHARMESH S. ANJARIA	At the beginning of the year	636220	6.94	636220	6.94
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	636220	6.94	636220	6.94
3	PARAG J. DALAL	At the beginning of the year	627200	6.84	627200	6.84
		Increase /Decrease	Nil	0.00	Nil	0.00
		At the end of the year	627200	6.84	627200	6.84
4	NILAM SHIRISH ANJARIA	At the beginning of the year	364602	3.97	364602	3.97
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	364602	3.97	364602	3.97
5	JIGNA D ANJARIA	At the beginning of the year	211463	2.31	211463	2.31
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	211463	2.31	211463	2.31

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
6	DEVANGI PARAG DALAL	At the beginning of the year	189640	2.07	189640	2.07
		Increase/Decrease	0	0.00	0	0.00
		At the end of the year	189640	2.07	189640	2.07
7	HASUMATI DALAL	At the beginning of the year	64816	0.71	64816	0.71
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	64816	0.71	64816	0.71
8	SHIRISH M. ANJARIA (H.U.F)	At the beginning of the year	253543	2.76	253543	2.76
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	253543	2.76	253543	2.76
9	TRIGEM INFOSOLUTIONS LIMITED	At the beginning of the year	486475	5.30	486475	5.30
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	486475	5.30	486475	5.30
10.	PARAG J. DALAL (H.U.F)	At the beginning of the year	310077	3.38	310077	3.38
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	310077	3.38	310077	3.38
11.	DHARMESH S. ANJARIA (H.U.F)	At the beginning of the year	250000	2.73	250000	2.73
		Increase/Decrease	Nil	0.00	Nil	0.00
		At the end of the year	250000	2.73	250000	2.73

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 01.04.2018		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2019	
		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	Tejal Sandeep Parikh	440000	4.80	0	0	440000	4.80
2	Niraj Deepak Dalal	440000	4.80	0	0	440000	4.80
3	Jagannath D Devadiga	62807	0.68	48069	0.52	110876	1.21
4	Bhavinkumar Ramanlal Panchal	76000	0.83	15100	0.16	91100	0.99
5	Shashi Bhala	63346	0.69	0	0	63346	0.69
6	Vishal Chapper	49349	0.54	0	0	49349	0.54
7	Mastermind Financial Services Pvt. Ltd.	40000	0.44	0	0	40000	0.44
8	Shivani Miglani	38839	0.42	(7560)	(0.08)	31279	0.34
9	Kishore Pratapsinh Kajaria	38714	0.42	0	0	38714	0.42
10	Shyamsunder Gupta	33236	0.36	4763	0.05	37999	0.41
11	Rajshree Kishore Kajaria	37067	0.40	0	0	37067	0.40
12	Ajith P Mathew	36157	0.39	0	0	36157	0.39

*Note: The above details are given as on 31st March, 2020. 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 01.04.2019		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2020	
		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	-	-	840948	9.17
2	Mr. Dharmesh Anjaria (Whole-time director)	636220	6.94	-	-	636220	6.94
3	Mr. Parag Dalal (Whole-time director)	627200	6.84	-	-	627200	6.84
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)	-	-	-	-	-	-

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	0	0	3,520.73
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,551.06	0	0	3,551.06
Change in Indebtedness during the financial year				
* Addition	400.00	0	0	400.00
* Reduction	422.28	0	0	422.28
Net Change	(22.28)	0	0	(22.28)
Indebtedness at the end of the financial year				
I) Principal Amount	3520.73	0	0	3520.73
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3520.73	0	0	3520.73

V. 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 2019-2020 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

During the year 2019-2020, 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. 2019-2020. 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	157,000	0	157,000
	(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	157,000	0	157,000

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.

VI. 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]

SECRETARIALAUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

To,

The Board of Directors,

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN: L72200MH1995PLC093130

78, Ratnajyot Industrial Estate, Irla Lane

Vile Parle (W),

Mumbai- 400056.

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation pertaining to compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and based on the management representation, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; wherever applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the Company has not issued any shares

ESOP measure during the financial year under review;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not issued any debt securities;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agents during the financial year under review.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted or propose to delist its equity shares from any stock exchange during the financial year under review;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not brought back/ propose to buyback any of its securities during the financial year under review;

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

- (i) Secretarial Standards (SS – 1 & SS – 2) issued by the Institute of Company Secretaries of India approved by the Central Government, effective from July 1, 2015.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- (iii) As informed by the Company, no industry specific Acts, Rules are applicable to the Company.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above subject to the following observation

During the year under review the Company has some unspent amount of CSR as per the provisions of Companies Act 2013, however the Board has informed that the CSR Committee of the Company has identified & approved projects for the balance amount which will be paid in due course, since few of the CSR activities projects approved during the year are of larger gestation period and is taking longer time for implementation. Such projects are still under progress at different stages and will be completed in a year.

I further report that:

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Decisions at the Board Meetings, as represented by the management were taken unanimously.

I further report that as represented by the Company and relied upon by me, there are reasonably adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has reasonably responded to notices for demands, claims, penalties etc. levied by

various statutory regulatory authorities and initiated actions for corrective measures, wherever necessary. There was no prosecution initiated and no fines paid (except for the additional fees paid by the Company for delay in filing of the necessary e-Forms with the Ministry of Corporate Affairs, wherever required).

I further report that during the audit period, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

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.

Shruti H. Shah
Practising Company Secretary
FCS No: 8852
C. P.No.: 8197
UDIN: F008852B000659227

Date: September 03, 2020

Place: Mumbai

Annexure A

To
The Board of Directors,
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 contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the 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. Whenever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shruti H. Shah
Practising Company Secretary
FCS No: 8852
C. P. No.: 8197
UDIN: F008852B000659227

Date: September 03, 2020

Place: Mumbai

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, 2020, 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, 2020.

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum
Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.: 00409894

ANNEXURE IV to the Directors' Reports

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, 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	21.98
Parag Dalal	19.78
Dharmesh Anjaria	19.78

- (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	42.86
Parag Dalal	50.00
Dharmesh Anjaria	50.00

- (c) **The percentage increase in the median remuneration of employees in the financial year: 7%**

Note: Percentage in bracket represents negative percentage.

- (d) **The number of permanent employees on the rolls of company: 1209**

- (e) **The explanation on the relationship between average increase in remuneration and company performance;**

On an average, employees received an increase of 10%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	(₹ in Lakhs)
Remuneration of Key Managerial Personnel (KMP) during financial year 2019-20 (aggregated)	84.00
Revenue from operations	33,018.39
Remuneration (as % of revenue)	0.25%
Profit before tax (PBT)	805.85
Remuneration (as % of PBT)	10.42%

- (g) **variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;**

Particulars	Unit	As at	As at	Variation %
		31 st March, 2020	31 st March, 2019	
Closing rate of share at BSE	₹	14.35	27.5	-48%
Closing rate of share at NSE	₹	14.95	27.6	-46%
EPS (consolidated)	₹	6.23	6.42	-3%
Market capitalization	₹/Lakhs			
BSE		1316.34	2522.60	-48%
NSE		1371.38	2531.77	-46%
Price Earnings Ratio	Ratio			
BSE		2.303	4.283	-46%
NSE		2.400	4.299	-44%

- (h) **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 2018-19 was 17%. Percentage increase in the managerial remuneration for the year was 47.37%.

- (i) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	Rs./Lac	Rs./Lac	Rs./Lac
Remuneration	30.00	27.00	1.41
Revenue from operations	33,018.39	33,018.39	33,018.39
Remuneration (as % of revenue)	0.09	0.08	0.00
Profit before Tax (PBT)	805.85	805.85	805.85
Remuneration (as % of PBT)	3.72	3.35	0.17

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

No Variable Component in the Remuneration availed by Directors

- (k) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

Not applicable.

- (l) **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 03, 2020

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	97645
6.	Total assets	114466
7.	Total Liabilities	9143
8.	Investments	0
9.	Turnover	117031
10.	Profit before taxation	2179
11.	Provision for taxation	3132
12.	Profit after taxation	5311
13.	Proposed Dividend	NIL
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 03, 2020

Place: Mumbai

Annexure - VI

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2019-20

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 www.dynacons.com.

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. Average net profit of the company for last three financial years: Rs.3,64,00,000/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):Rs. 7,27,851/-
5. Details of CSR spent during the financial year 2019-20.
(a) Total amount spent in the financial year: Rs. 2,55,851/-
(b) Amount unspent, if any:- Rs. 4,72,000/-
(c) Manner in which the amount spent during the financial year:-N.A.
6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:
During the year under review the Company has some unspent amount of CSR as per the provisions of Companies Act 2013, however the Board has informed that the CSR Committee of the Company has identified & approved projects for the balance amount which will be paid in due course, since few of the CSR activities projects approved during the year are of larger gestation period and is taking longer time for implementation. Such projects are still under progress at different stages and will be completed in a year.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:
The 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

Parag Dalal
Executive Director
Din no.: 00409894

Date: September 03, 2020

Place: Mumbai

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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. 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. 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. 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.

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 has a strong legacy of fair, transparent and ethical governance practices. 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, 2020, 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 May 27, 2019, July 11, 2019, July 26, 2019, August 14, 2019, August 31, 2019, November 14, 2019, November 28, 2019, December 09, 2019, January 20, 2020, February 05, 2020 and February 13, 2020.

The Board Meetings are held at the Registered 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.

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 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	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	10	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	No	9	0	2	1	Nil
Mr. Viren C. Shah Din.:02886221	Non- Executive & Independent Director	No	8	0	2	0	Non-Executive Independent Director 1. Ducon Infratechnologies Limited (Resigned w.e.f. 13.08.2019)
Mr. Jitesh J. Jain Din.:00282797	Non- Executive & Independent Director	Yes	8	0	2	1	Nil
Mrs. Archana V. Phadke Din.:07138774	Non- Executive & Independent Director	No	9	0	1	0	Nil

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

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

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

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 2019-2020, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

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.

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.

The Committee is presently chaired by Mr. Jitesh Jain, Chartered Accountant. The Audit Committee met Eleven times during the financial year 2019-2020 on May 27, 2019, July 11, 2019, July 26, 2019, August 14, 2019, August 31, 2019, November 14, 2019, November 28, 2019, December 09, 2019, January 20, 2020, February 05, 2020 and February 13, 2020. 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	8
Mr. Viren Shah	Non-Executive & Independent Director	9
Mr. Dilip Palicha	Non-Executive & Independent Director	9

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 focussing 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.

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.

- 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. Jitesh Jain. The Nomination and Remuneration committee met once during the year. Company Secretary of the Company acted as the Secretary to the 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, 2020

Name of the Director	Salary
Mr. Shirish Anjaria, Chairman & Managing Director	30,00,000
Mr. Parag Dalal, Whole time Director	27,00,000
Mr. Dharmesh Anjaria, Whole time Director	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.

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	2
Mr. Dilip Palicha	Non-Executive & Independent Director	2
Mr. Jitesh Jain	Non-Executive & Independent Director	2
Mrs. Archana Phadke	Non-Executive & Independent Director	2

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, non-receipt of annual Report, attending to complaints of investors routed by SEBI/Stock

Exchanges and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. 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 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 31.03.2020, The numbers of pending share transfers as on March 31, 2020 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.

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

The risk management committee of the Company is constituted 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.

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 10, 2020, 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.

Sitting fees

For the year 2019-2020, 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 2019-2020 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	20000	0	0	20000
2	Mr. Dilip Palicha	20000	0	0	20000
3	Mr. Viren Shah	20000	0	0	20000
4	Mrs. Archana Phadke	20000	0	0	20000

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

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

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed	Details of special resolution proposed to be conducted through postal ballot
2017	September 29, 2017	4.30 P.M.	Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai - 400058	Number of Special Resolutions passed: 1 Details of Special Resolution are as follows: 1. Borrowing Powers	None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot
2018	September 29, 2018	2.30 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	2.30 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 and CFO 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

- EGM: March 29, 2017 at 04.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.

Number of Special Resolutions passed: 3

Details of Special Resolution are as follows:

1. Alteration in the Articles of Association of the Company
2. Issue of upto 4,55,000 Equity shares on a preferential issue basis to the promoter/ promoter group.
3. Issue of upto 27,95,000 Warrants Convertible into Equity Shares of the Company on preferential basis to promoter/promoter group and others.

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 – www.dynacons.com. 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 Shirish Anjaria and Dharmesh Anjaria having father son relationship, None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

b) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis 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 received a show cause in the matter of Dynacons Technologies Limited, issued by SEBI dated 15th March, 2017 for non-compliance of the provisions of Regulations 30(1) and 30(2) read with Regulation 30(3) of SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011 for the year ended on March 31, 2013 and March 31, 2014. The Company had made an adequate reply to SEBI and settlement order for the same was received on February 01, 2019 and the matter stands closed.

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. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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. Shirish Anjaria, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (ii) 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>
- (iii) 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 Auditors' certificate on corporate governance 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 preferential issue or qualified institutions placement under Regulation 32(7A) of the Listing Regulations.
- n) No equity shares were suspended from trading during the Financial Year 2019-20.
- o) The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments during the Financial Year 2019-2020.
- 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 2019-2020 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	8,55,000
2	Tax Audit Fees	-
3	Others	-
	Total	8,55,000

- 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) As per Regulation 24 of SEBI (Listing Obligations and Disclosure) Regulations, 2015, the audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.
- u) The Company has complied with all the requirement of Corporate Governance report as contained in Clause C(2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.
- v) The Company has adopted Policy on Determination of Materiality under Regulation 30 of SEBI Listing Regulations, which is disclosed on the Company's website.
- w) Discretionary Requirements
1. The auditors' report on financial statements of the Company are unqualified.
- x) Subsidiary Companies
- The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: <http://www.dynacons.com/policy-on-material-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.
- The Company does not have any material unlisted subsidiary company.
- y) The Company has adopted policy on Archival and Preservation and Documents which is disclosed on Company's website.
- z) The Company had declared Interim dividend of Rs. 0.50 per equity share of the face value of Rs. 10/- each for the financial year ended March 31, 2020, on August 14, 2019, and paid to all shareholders eligible as on record date August 22, 2019. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2020. 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. 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 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, 2020.

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	September 30, 2020 at 03.00 P.M
-Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 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'19 – March'20

22.3 Book Closure 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, 2020, on August 14, 2019, and paid to all shareholders eligible as on record date August 22, 2019. Thus the interim dividend paid is considered as final dividend for the financial year ended March 31, 2020

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

Name and address of stock exchange:	Code Nos.
The BSE Ltd., Mumbai 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	532365

- National Stock Exchange of India Ltd. DSSL
Exchange Plaza, C-1, Block G,
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 2020-2021 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 2019	35.00	27.05	92425	33.90	26.40	157232
May 2019	38.40	25.80	83532	38.40	25.80	271365
June 2019	34.90	27.60	24867	35.30	28.10	116810
July 2019	32.15	25.55	22301	32.90	25.40	98715
Aug 2019	31.95	23.50	27032	30.00	23.75	77128
Sep 2019	31.95	23.65	12013	30.45	23.25	61623
Oct 2019	31.20	24.00	12026	31.00	23.20	45753
Nov 2019	30.75	20.80	59984	30.70	20.60	383063
Dec 2019	25.80	22.30	17766	27.80	22.00	141362
Jan 2020	35.60	23.50	88871	35.60	23.20	568170
Feb 2020	28.70	21.50	26514	28.60	20.50	139329
Mar 2020	22.55	12.65	25821	23.00	13.10	130041

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. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

22.9 Distribution of Shareholding as on March 31, 2020

No. of Equity Shares	No. of Folios	% of Total	Total Holding in Rupees	% of Total
1-500	10516	89.41	1113322	12.14
501-1000	605	5.17	475609	5.18
1001-2000	289	2.47	439078	4.79
2001-3000	96	0.82	245380	2.67
3001-4000	64	0.55	231604	2.52
4001-5000	28	0.24	130642	1.42
5001-10000	47	0.40	342077	3.72
10001-9999999999	60	0.51	6195368	67.54
Total	11705	100.00	9173080	100.00

22.10 Shareholding of Directors

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	840948	9.17
2.	Mr. Dharmesh Anjaria	636220	6.94
3.	Mr. Parag Dalal	627200	6.84
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

22.11 Dematerialization of Shares as on March 31, 2020

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
91,73,080	39,140	0.43%	91,33,940	99.57%

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

22.12 Categories of Shareholders as on March 31, 2020

Category	No of Shares held	Percentage of Shareholding
Clearing Member	20576	0.22%
Corporate Bodies	116811	1.27%
Corporate Bodies (Promoter Company)	486475	5.30%
Non Resident Indians	233795	2.55%
Promoters/Directors	2917988	31.81%
Public	4566634	49.78%
Relative of Director	830521	9.05%
Nationalised Banks	280	0.00%
Total	9173080	100%

- 22.13 Capital of the Company** : The authorized and paid-up capital of your Company is Rs. 300,000,000 and Rs. 9,17,30,800 respectively.
- 22.14 Outstanding GDRs/ADRs/Warrants** : The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on 31.03.2020
- 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 Corporate Ethics:

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

CFO/CEO CERTIFICATION

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

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

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

For Dynacons Systems & Solutions Ltd

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

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

Place: Mumbai
Dated: September 03, 2020

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**The Members of
Dynacons Systems & Solutions Ltd.
Mumbai.**

We have examined the compliance of the conditions of Corporate Governance by Dynacons Systems & Solutions Limited for the year ended 31st March, 2020 as per Regulations 17-27, clauses (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the 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.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

We further state that such compliance 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 M S P & CO.
(Firm Regn. No. : 107565W)
Chartered Accountants

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Dated: September 03, 2020

**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, 2020.

For Dynacons Systems & Solutions Ltd.

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place: Mumbai
Dated: September 03, 2020

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.

I 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 my 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 us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 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 INITIAL APPOINTMENT IN COMPANY*
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	26/09/1995
5	Dharmesh Shirish Anjaria	00445009	30/09/1998
6	Dilip Parmanand Palicha	02879480	21/03/2014
7	Archana Vinayak Phadke	07138774	27/03/2015

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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.

SHRUTI H. SHAH
Practising Company Secretary
FCS No. : 8852
C.P. No. : 8197
UDIN:

Place: Mumbai

Dated: September 03, 2020

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 **31st March 2020**, 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, 2020, 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 on Matter

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 draw your attention to Note No. 32.11 highlighting that due to the COVID-19 induced restriction 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, 2020, 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 to the accompanying standalone financial statements. Refer Note 25 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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.32.6 to the financial statements.
 - ii. The Company has long term contracts as at March 31, 2020 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2020.
 - 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, 2020.

For M S P & CO.
Chartered Accountants
Firm Registration : 107565W

M. S. PARIKH
Partner
Membership No.: 08684

Mumbai : July 31, 2020

UDIN20008684AAAAAQ6831

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 IndAS financial statements for the year ended March 31, 2020, 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 company does not own any immovable properties, hence the clause 1(c) of the orders are not applicable to the company and hence not commented
- 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.
- v) The company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provision of the clause 3(v) of the order are not applicable to the company.
- vi) The Central Government has not prescribed the maintenance of cost records under sub- section (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, Value added, Service Tax, Sales Tax, 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, Value added, Service Tax, Sales Tax, 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 disputes is pending	2020 (Rupees in Lakhs)
Income Tax	AY 2017-18	CIT Appeal	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 bank or Non Banking Financial Companies. The company does not have any loans or borrowing 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). Term Loans for the purpose of acquiring vehicles 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; hence the clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- 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 : 107565W

M. S. PARIKH
Partner
Membership No.: 08684

Mumbai : July 31, 2020

UDIN20008684AAAAAQ6831

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, 2020 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, 2020, 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 : 107565W

M. S. PARIKH
Partner
Membership No.: 08684

Mumbai : July 31, 2020

UDIN20008684AAAAAQ6831

Standalone Balance Sheet as at 31st March, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	178.67	249.60
(b) Right-of-use asset	3	195.60	-
(c) Investment in Subsidiary	4	5.05	5.05
(d) Financial Assets			
(i) Investments	5	1.07	0.89
(e) Deferred Tax Assets (Net)	18	11.49	-
		<u>391.89</u>	<u>255.54</u>
2 Current assets			
(a) Inventories	6	871.85	1,679.15
(b) Financial Assets			
(i) Trade receivables	7	8,399.57	5,767.59
(ii) Cash and cash equivalents	8	309.90	680.56
(iii) Bank balances other than mentioned in cash and cash equivalents	9	1,350.78	1,082.43
(iv) Short-term loans and advances	10	14.21	16.82
(v) Other Financial Assets	11	265.26	10.33
(c) Other Current Assets	12	611.31	309.63
		<u>11,822.88</u>	<u>9,546.51</u>
	TOTAL	<u>12,214.77</u>	<u>9,802.06</u>
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	917.31	917.31
(b) Other Equity	14	2,702.09	2,156.09
		<u>3,619.39</u>	<u>3,073.40</u>
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	15	17.64	30.34
(ii) Lease Liabilities	16	159.86	-
(b) Long-Term Provisions	17	111.50	92.40
(c) Deferred Tax Liabilities (Net)	18	-	10.55
(d) Other non-current liabilities	19	8.95	6.93
		<u>297.95</u>	<u>140.22</u>
3 Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	20	3,481.75	3,462.91
(ii) Trade Payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		2.02	9.60
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,273.09	2,529.72
(c) Lease Liabilities	22	39.03	-
(iii) Other Financial Liabilities	23	21.34	49.96
(b) Other Current Liabilities	24	480.19	536.26
		<u>8297.43</u>	<u>6588.44</u>
	TOTAL	<u>12,214.77</u>	<u>9,802.06</u>
Notes on Financial Statements	1-32		

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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Standalone Profit and Loss Statement for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
1. INCOME			
(a) Revenue from Operations	25	32,794.50	30,371.88
(b) Other Income	26	223.89	117.88
2 Total Revenue		33,018.39	30,489.77
3 EXPENSES			
(a) Purchases of Stock-In-Trade	27	27,557.92	26,414.38
(b) Changes In Inventories Of Stock-In-Trade	28	807.30	-298.37
(c) Employee Benefits Expense	29	2,237.65	2,448.44
(d) Finance Costs	30	758.19	592.91
(e) Depreciation And Amortisation Expense	2-3	102.57	72.18
(f) Other Expenses	31	748.91	629.11
4 Total Expenses		32,212.54	29,858.65
5 Profit before tax		805.85	631.12
6 Tax Expense:			
(a) Current Tax		216.14	228.80
(b) Deferred Tax		-22.04	-16.29
		194.10	212.51
7 Profit for the year		611.75	418.61
8 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Measurement of defined employee benefit plan		-25.80	1.28
Gains and losses from investments in equity instruments		0.69	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		6.49	-0.46
Other comprehensive income for the year, net of tax		-18.61	0.82
9 Total comprehensive income for the year		593.14	419.43
10 Earnings per equity share (Profit for the year)			
(i) Basic (In `)		6.67	5.20
(ii) Diluted (In `)		6.67	5.20
Notes on Financial Statements	1-32		

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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	805.85	631.12
Add: Depreciation And Amortisation Expense	102.57	72.18
(Profit)/Loss on sale of Property, Plant and Equipment	0.00	-0.53
Finance Costs	758.19	515.49
Dividend Income	-53.30	-
Loss On Investments Written off	0.51	-
	807.98	587.14
Operating profit before working Capital	1,613.83	1,218.26
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	807.30	-298.37
Trade receivables	-2,631.98	-1,814.02
Other current financial assets	-520.67	-587.93
Other current assets	-308.30	-19.87
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,735.80	1,955.54
Other current financial liabilities	-28.62	32.08
Other current liabilities	-83.14	-57.35
Other non current Liabilities	2.03	0.00
Provisions	19.10	24.75
	-1,008.48	-765.18
Cash Generated from Operations	605.35	453.08
Taxes paid	-203.02	-208.65
Net Cash Flow from operating activities	402.32	244.43
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-4.96	-40.73
Sale of Property, Plant and Equipment	0.00	4.00
Dividend received	53.30	0.00
Net Cash Used for Investing Activities	48.34	-36.73
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	-23.40	0.00
Money received against share warrants	0.00	339.75
Dividend Paid	-45.87	0.00
Repayment of long-term borrowings	-12.71	-19.36
Short-term borrowings (net)	18.85	-16.65
Interest Paid	-758.19	-515.49
Net cash From Financing Activities	-821.32	-211.75
D Net Increase in Cash and Cash Equivalents (A+B+C)	-370.66	-4.04
E Cash and Cash Equivalents at the beginning of the year	680.56	684.60
F Cash and Cash Equivalents at the end of the year	309.90	680.56
Cash & Cash Equivelant Comprise of		
Cash on hand	0.97	3.22
Balances with banks in current accounts	6.64	12.96
Demand deposits with Banks	302.28	664.38
Cash and Cash Equivalents as per Note 8	309.90	680.56

Notes 1 to 32 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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
 Chairman cum Managing Director

Dharmesh Anjaria
 Executive Director

Mumbai : July 31, 2020

Parag Dalal
 Executive Director

Ravishankar Singh
 Company Secretary

STATEMENT OF CHANGES IN EQUITYFor the year ended 31st March, 2020**A. Equity Share Capital (Note No. 13)**

Particulars	Equity Share Capital
As at 1 st April 2018	6,90,80,800
Changes in Equity Share Capital	2,26,50,000
As at 31st March 2019	9,17,30,800
Changes in Equity Share Capital	-
As at 31st March 2020	9,17,30,800

B. Other Equity (Note No. 14)

(₹ in Lakhs)

	Reserves and Surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
Balance as at 1st April 2018	98.50	1,407.47	4.20	113.25	1,623.41
Total Comprehensive Income for the year	-	-	0.82	-	0.82
Additions during the year	226.50	418.61	-	339.75	984.86
Issue of Equity Shares	-	-	-	(453.00)	(453.00)
Balance as at 31st March 2019	325.00	1,826.07	5.02	-	2,156.09
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

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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 in accordance with the Indian Accounting Standards (Ind AS) as under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The standalone financial statements were approved for issue by the Board of directors on 31st July 2020.

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. Further, amounts below INR 50,000 have been rounded off to "-" in the standalone financial statements while rounding off to the nearest lacs unless otherwise indicated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;

Current assets include current portion of the noncurrent financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

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 2.18

f) Measurement of fair values

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

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

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

Fair values are categorised into different levels in

a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

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**Transition to Ind AS 116**

Effective 01 April 2019, the company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on 01 April 2019 using the modified retrospective method. Accordingly, comparatives for the previous year ended 31 March 2019 have not been retrospectively adjusted. The leases which are classified as Right-of-Use (RoU) assets are in the nature of prepaid lease rentals. Therefore, the cumulative effect of applying the standard in the retained earnings is not material.

The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

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 April 1, 2020.

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

Impairment testing of intangible assets and property, plant and equipment

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

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

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

Depreciation

Depreciation on tangible assets is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful

life of the assets as estimated by Management based on technical evaluation and advice. The residual value is 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

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

Type of asset	Estimated useful life (Years)
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.

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 32.6 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.

Operating Lease

Effective 01 April 2019, the Group adopted Ind AS 116 "Leases" and applied to all lease contracts existing on 01 April 2019 using the modified retrospective method. Accordingly, comparatives for the previous year ended 31 March 2019 have not been retrospectively adjusted. The leases which are classified as ROU are in the nature of prepaid lease rentals. Therefore, the cumulative effect of applying the standard in the retained earnings is not material.

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.

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.

2.19. 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 financial year ended 31st March, 2020

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Furnitures & Fixtures	Vehicles (Cars)	Office Equipment	Computer	TOTAL
Gross block					
Balance as at 1 April 2018	8.43	112.22	1.52	280.37	402.54
Additions	-	39.40	1.33	-	40.73
Disposals	-	16.53	-	-	16.53
Balance as at 31 March 2019	8.43	135.10	2.85	280.37	426.74
Additions	4.96	-	-	-	4.96
Disposals	-	-	-	-	-
Balance as at 31 March 2020	13.39	135.10	2.85	280.37	431.70
Accumulated depreciation					
Balance as at 1 April 2018	0.75	13.48	0.72	103.06	118.01
Depreciation for the year	0.82	19.78	0.47	51.11	72.18
Reversal on disposal of assets	-	13.06	-	-	13.06
Balance as at 31 March 2019	1.57	20.19	1.20	154.17	177.14
Depreciation for the year	1.04	20.51	0.42	53.92	75.89
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2020	2.62	40.71	1.61	208.09	253.03
Net Block					
Balance as at 1 April 2019	6.86	114.90	1.65	126.19	249.60
Balance as at 31 March 2020	10.77	94.39	1.24	72.27	178.67

Charge has been created over property, plant and equipments of the company in regard to borrowings (Refer note 20.1)

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
3. RIGHT OF USE ASSET		
Particulars Leased Premises	LEASED PREMISES	
Gross Carrying Value :		
Balance as at 31-03-2019	-	
Adjustment on Transition to IND AS 116	222.29	
Disposals / Adjustments	-	
Balance as at 31-03-2020	<u>222.29</u>	
Accumulated Amortisation :		
Balance as at 31-03-2019	-	
Charge for the year	26.68	
Other Adjustments	-	
Balance as at 31-03-2020	<u>26.68</u>	
Net carrying amount :		
As at 31-03-2019	-	
As at 31-03-2020	195.60	
4 INVESTMENT IN SUBSIDIARY		
Equity Investment at cost		
In Equity Shares - Unquoted, fully paid up		
(i) Dynacons Systems & Solutions PTE Ltd (7,678 (31st March, 2019 - 7,678) Equity Shares of US\$ 1/- each)	5.05	5.05
	<u>5.05</u>	<u>5.05</u>
(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
5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments designated at fair value through Other Comprehensive Income		
(i) In Equity Shares - Unquoted, fully paid up Kapol Co-op Bank Ltd ((31st March, 2019 - 5,125) Equity Shares of ₹ 10 each)	-	0.51
(ii) In Equity Shares - Quoted, fully paid up Bank of Baroda Limited (2,000 (31st March, 2019 - 2,000) Equity Shares of ₹ 10 each fully paid up)	1.07	0.38
	<u>1.07</u>	<u>0.89</u>
Total	<u>6.12</u>	<u>5.94</u>
(iii) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').		

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
6 INVENTORIES		
(valued at lower of cost and net realisable value)		
Stock-in-trade	871.85	1679.15
Total	<u>871.85</u>	<u>1679.15</u>
Inventories of Rs. 871.85 lakhs (as at 31st March, 2019: Rs. 1,679.15 lakhs) are hypothecated against working capital facilities from banks. (Refer note 20.1)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	8,399.57	5,767.59
Trade Receivables which have significant increase in Credit Risk;	-	-
Trade Receivables - credit impaired	-	-
	<u>8,399.57</u>	<u>5,767.59</u>
Less Provision for expected credit loss -	-	-
Total	<u>8,399.57</u>	<u>5,767.59</u>
7.1 Trade Receivables of Rs.8399.57 lakhs (as at 31st March, 2019: Rs. 5,767.59 lakhs) are hypothecated against working capital facilities from banks. (Refer note 20.1)		
7.2 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, hence no provision is made for Expected credit Losses		
8 CASH AND CASH EQUIVALENTS		
Cash on hand	0.97	3.22
Balances with banks in current accounts	6.64	12.96
Demand deposits with Banks	302.28	664.38
Total	<u>309.90</u>	<u>680.56</u>
Deposits Accounts of Rs. 302.28 lakhs (As at 31st March, 2019 Rs. 664.38) pledged for facilities from Banks. (Refer Note 20.1)		
9 BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS		
-Balances with bank held as margin money	1,350.78	1,082.43
Total	<u>1,350.78</u>	<u>1,082.43</u>
10 SHORT TERM LOANS AND ADVANCES		
Loans & Advances to employees		
-Loans Receivables considered good - Unsecured	14.21	16.82
Total	<u>14.21</u>	<u>16.82</u>
11 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)		
Security Deposits	265.26	10.33
Total	<u>265.26</u>	<u>10.33</u>
12 OTHER CURRENT ASSETS		
Advance income tax (Net of provisions)	611.31	309.63
Total	<u>611.31</u>	<u>309.63</u>

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
13 EQUITY SHARE CAPITAL		
(a) Authorised Share Capital 30,000,000 Equity shares of ₹10 each (Previous Year 30,000,000 Equity shares of ₹10 each)	3,000.00	3,000.00
(b) Issued, Subscribed and Fully Paid up : (91,73,080 Equity shares of ₹10 each) (Previous year 91,73,080 Equity shares of ₹10 each)	917.31	917.31

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	91,73,080	917.31	69,08,080	690.81
Issued during the year	-	-	22,65,000	226.50
Equity Shares at the end of the year	91,73,080	917.31	91,73,080	917.31

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	840,948	9.17	840,948	9.17
Dharmesh Shirish Anjaria	636,220	6.94	636,220	6.94
Parag Jitendra Dalal	627,200	6.84	627,200	6.84
Nilam Anjaria	364,602	3.97	364,602	3.97

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

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

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

13.6 The Company declares entitled and pays dividends in Indian Rupees. The Board of Directors in their meeting held on August 14, 2019, declared an interim dividend of ₹ 0.50/- per share on the nominal value of ₹ 10/-each and paid to all the eligible shareholders on August 26, 2019. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2020.

14 OTHER EQUITY

Securities premium account	325.00	325.00
General reserve	190.46	190.46
Retained earnings	2,200.22	1,635.61
Other comprehensive income	-13.60	5.02
Total	2,702.09	2,156.09

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020
(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
The movement in Other Equity:		
(a) Securities premium account		
As per last Balance Sheet	325.00	98.50
Add : Premium on shares issued during the year	-	226.50
Total	325.00	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	1,635.61	1,217.01
Less : Dividend Distributed	(45.87)	-
Less : Adjustment of Balance in defined employee benefit plan	(1.28)	-
Add: Profit for the year	611.75	418.61
Total	2,200.22	1,635.61
Surplus in Statement of Profit and Loss comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc..		
(d) Money received against share warrants		
Add : Monies received during the year	-	113.25
	-	339.75
	-	453.00
Less : Issue of Shares	-	226.50
Less : Transfer to Securities Premium Account	-	226.50
	-	-
The Company had allotted 22,65,000 equity shares of Rs. 10/- each issued at premium of Rs.10/- during the Previous financial year 2018-19 to the Promoters & Non-Promoters on a preferential basis pursuant to conversion of warrants. These shares are ranking pari-passu with the old equity shares of the company.		
Total reserves and surplus	2,715.68	2,151.07
(e) Other comprehensive income		
Balance at the beginning of the year	5.02	4.20
Add : Movement during the year	-18.61	0.82
Balance at the end of the year	-13.60	5.02
Total other Equity	2,702.09	2,156.09
15 Long Term Borrowings		
Secured		
Term Loans		
From Banks	17.64	23.16
From Others	-	7.18
Total	17.64	30.34

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
-------------	-------------------------	-------------------------

15.1 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

15.2 Other Details

	Particulars	Security Coverd	Date of Maturity	Number of Installments Due	Applicable Rate of Interest
A	From Banks				
	ICICI Bank Ltd	Motor Car	01-Jul-21	4.00	9.36%
	Yes Bank Ltd	Motor Car	15-Oct-22	18.00	8.78%

16 OTHER NON-CURRENT LIABILITIES

Lease Liabilities	159.86	-
	159.86	-

17 LONG TERM PROVISIONS

Provision for employee benefits:

i) Provision for other defined benefit plans - Gratuity (Refer Note 32.2)	108.78	65.74
ii) Leave Encashment	2.72	26.66
Total	111.50	92.40

18 DEFERRED TAX LIABILITY NET

(a) Amounts recognized in profit and loss

Current tax expense (A) In respect of current year	216.14	228.80
Deferred tax expense (B) In respect of current year	-22.04	-16.29
Adjustments for earlier years (C)	-	-
Tax expense recognized in the income statement (A+B+C)	194.10	212.51

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31 st March, 2020			For the year ended 31 st March, 2019		
	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	(25.10)	6.49	(18.61)	1.28	(0.46)	0.82
	(25.10)	6.49	(18.61)	1.28	(0.46)	0.82

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2020		For the year ended 31 st March, 2019	
	%	Amounts	%	Amounts
Profit before tax		805.85		631.12
Tax using the Company's domestic tax rate	25.17%	202.82	33.38%	210.69
Tax effect of:				
Permanent Difference	-3.63%	(5.16)	-	-
Exempt Income	-2.10%	(4.27)	-	-
Others	0.35%	0.72	2.87%	1.82
TOTAL	-5.38%	(8.72)	2.87%	1.82
Effective income tax rate	19.79%	194.10	36.25%	212.51

(d) Movement in deferred tax

Particulars	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Provisions - employee benefits	33.83	23.21	0.00	0.00	(33.83)	(23.21)
Property, plant and equipment	0.00	0.00	23.17	33.76	23.17	33.76
Lease Rentals	0.83	0.00	0.00	0.00	(0.83)	0.00
Deferred tax (assets) liabilities	34.66	23.21	23.17	33.76	(11.49)	10.55

19 OTHER NON CURRENT LIABILITIES

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

* Includes staff dues.

20 Short Term Borrowings

Secured Working Capital Loans :		
From Banks	3,481.75	3,462.91
Total	3,481.75	3,462.91

20.1 Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit, Bank fixed deposits and Fixed Assets and personal guarantees of directors.

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
21 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	2.02	9.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,273.09	2,529.72
Total	4,275.12	2,539.32

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, 2020	As at 31 March, 2019
Principal amount due and remaining unpaid	2.02	9.60
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	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made during the year.

22 OTHER FINANCIAL LIABILITIES - LEASE

Lease Liabilities	39.03	-
	39.03	-

23 OTHER FINANCIAL LIABILITIES

Current maturities of long-term debt	21.34	49.96
Total	21.34	49.96

Refer Notes No. 15.1

24 OTHER CURRENT LIABILITIES

Other Payables*	480.19	536.26
Total	480.19	536.26

* includes statutory dues and others

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
25 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	32,794.50	30,371.88
Total	<u>32,794.50</u>	<u>30,371.88</u>
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	29,595.59	30,371.88
Export (Including deemed export)	3,198.91	-
Total	<u>32,794.50</u>	<u>30,371.88</u>
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	34,695.40	30,753.60
Less: Adjustments		
Sales return	(1900.90)	(381.71)
Revenue from contracts with Customers	<u>32,794.50</u>	<u>30,371.88</u>
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	8,399.57	5,767.59
Allowance as per Expected credit loss model	-	-
Total	<u>8,399.57</u>	<u>5,767.59</u>
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
26 Other Income		
Interest income	170.25	117.35
Other Non-Operating Income	-	0.53
Others #	0.35	0.00
Dividend Received (Dividend received from Wholly owned Subsidiary Company)	53.30	-
Total	<u>223.89</u>	<u>117.88</u>
# includes Miscellaneous income		
27 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	27,557.92	26,414.38
Total	<u>27,557.92</u>	<u>26,414.38</u>
28 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	871.85	1,679.15
	<u>871.85</u>	<u>1,679.15</u>
Inventories at commencement		
Stock-in-Trade	1,679.15	1,380.78
	<u>1,679.15</u>	<u>1,380.78</u>
Total	<u>807.30</u>	<u>-298.37</u>

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
29 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,056.79	2,257.79
Contributions to provident and other funds	121.23	146.40
Staff Welfare Expenses	59.64	44.25
Total	<u>2,237.65</u>	<u>2,448.44</u>
30 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost	6.37	-
b) Interest on borrowings	322.13	333.66
c) Other interest cost	345.19	181.84
d) Others	84.50	77.41
Total	<u>758.19</u>	<u>592.91</u>
31 Other Expenses		
Electricity Expenses	10.59	10.49
Rent	57.95	79.68
Communication Expenses	39.86	13.24
Auditors Remuneration	8.55	7.20
Bank Charges	17.77	10.01
Conveyance And Travelling Expenses	265.49	238.88
Insurance Charges	11.70	10.15
Legal & Professional Charges	135.67	88.61
Loss On Investments Written off	0.51	-
Membership & Subscription	2.06	3.13
Miscellaneous Expenses	26.72	26.46
Corporate social responsibility expenditure	2.56	-
Motor Car Expenses	6.14	4.69
Printing & Stationary Expenses	8.79	10.59
Rates & Taxes	6.07	15.45
Repairs & Maintenance -Building	2.57	2.76
Repairs & Maintenance - Others	6.78	3.90
Sales Promotion Expenses	16.50	20.58
Transportation Charges	122.62	83.29
Total	<u>754.88</u>	<u>639.77</u>
31.1 Auditors Remuneration		
- Audit Fees	8.55	7.20
- Other	-	-
Total	<u>8.55</u>	<u>7.20</u>
31.2 Conveyance And Travelling Expenses		
Conveyance	154.69	182.76
Travelling Expenses	110.80	56.13
Total	<u>265.49</u>	<u>238.88</u>

31.3 Miscellaneous Expenses includes office Expense postage & telegram exp etc

31.4 Details of corporate social responsibility expenditure

(a)	Amount required to be spent by the Company	31 March, 2020 7.28	31 March, 2019 -	
(b)	for the financial year ended 31st March, 2020	In Cash	Yet to be paid in Cash	Total
i	Construction or acquisition of any asset			
ii	On purposes other than (i) above	2.56	4.72	7.28

CSR Committee has identified & approved projects for the balance amount which will be paid in due course.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Additional Information to the financial statements

32.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit after Tax	(₹/lakhs)	611.75	418.61
Weighted Number of Equity Shares	Nos. Lakhs	91.73	80.56
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	6.67	5.20
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	6.67	5.20

32.2. 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	2020	2019
		Amount (₹)	Amount (₹)
I.	Assumptions :		
	Discount Rate	6.82%	7.64%
	Salary escalation rate	4.50%	4.50%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	65.28	48.24
	Current Service Cost	42.23	17.04
	Balance	107.50	65.28
	Liability at the end of the year	107.50	65.28
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	107.50	65.28
	Difference Adjusted	1.28	-
	Amount Recognized in the Balance Sheet	108.78	65.28
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	42.23	17.04
	Expense Recognized in P& L	42.23	17.04
IV.	Expenses Recognized in the OCI :		
	Current Service Cost	(25.80)	1.28
	Expense Recognized in P& L	(25.80)	1.28

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, 2020	31 st March, 2019
1 st Following Year	6.13	3.84
2 nd Following Year	2.74	1.97
3 rd Following Year	3.34	2.12
4 th Following Year	3.59	2.44
5 th Following Year	6.41	2.58
Sum of Years 6 To 10	28.03	19.73
Sum of Years 11 and above	282.22	198.26

Sensitivity Analysis

(₹ in Lakhs)

	31 st March, 2020	31 st March, 2019
Projected Benefit Obligation on Current Assumptions	108.78	66.56
Delta Effect of +1% Change in Rate of Discounting	(13.32)	(7.91)
Delta Effect of -1% Change in Rate of Discounting	16.19	9.57
Delta Effect of +1% Change in Rate of Salary Increase	16.41	9.78
Delta Effect of -1% Change in Rate of Salary Increase	(13.71)	(8.19)
Delta Effect of +1% Change in Rate of Employee Turnover	3.02	2.72
Delta Effect of -1% Change in Rate of Employee Turnover	(3.64)	(3.23)

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.

32.3 Related Party Disclosures

- a. The names of related parties and the nature of relationship are as under:
- (i) Subsidiaries
Dynacons Systems & Solutions Ltd PTE Ltd – Subsidiary Company
 - (ii) Entities in which Directors or there 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) Non Executive Director
Jitesh Jain
Dilip Parmanand Palicha
Viren Champaklal Shah
Archana Phadke
- c) Other than Directors
Ravishankar Singh Company Secretary

The transactions with the related parties are as under:

Party	Nature of Payment	2020 (₹/lakhs)	2019 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.57	2.76
Mr. Shirish M. Anjaria	Remuneration	30.00	21.00
Mr. Parag J. Dalal	Remuneration	27.00	18.00
Mr. Dharmesh S. Anjaria	Remuneration	27.00	18.00
Mr. Ravishankar Singh	Remuneration	1.41	1.13
Josh Foundation	Corporate social responsibility expenditure	0.50	-

Party	Nature of Receipts	2020 (₹/lakhs)	2019 (₹/lakhs)
M/s Dynacons Systems & Solutions PTE Ltd	Dividend Income	53.30	-

32.4. Balances Outstanding

(₹ in Lakhs)

Nature of Transaction	Subsidiaries		Entities controlled by Key Managerial Personnel	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
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.

32.5. Segment Information

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

32.6. Contingent Liabilities

- a) Claims against the Company not acknowledged as debts:

Particulars	Period to which the amount relates	Forum where the dispute is pending	2020 (₹/lakhs)	2019 (₹/lakhs)
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	-	11.14
Income tax	AY 2017-18	CIT Appeals	6.86	-

- b) Guarantees given by the company's bankers ₹ 3181.54 lakhs (previous year ₹ 2906.06 lakhs)

32.7. 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 15, 20 and 23) 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, 2020	As at 31 st March, 2019
Non-current borrowings	17.64	30.34
Current maturities of non-current borrowings	21.34	49.96
Current borrowings	3,481.75	3,462.91
Total Debt	3,520.73	3,543.21
Equity	3,619.39	3,073.40
Net debt to equity ratio	0.97	1.15

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, 2020	As at 31 st March, 2019
Financial Assets		
Measured at amortised cost		
Trade receivables	8,399.57	5,767.59
Cash and cash equivalents	309.90	680.56
Bank balances other than above	1,350.78	1,082.43
Loans	14.21	16.82
Other Financial Assets	265.26	10.33
Designated at fair value through other comprehensive income		
Investments in equity shares	1.07	0.89
Total	10,340.79	7,558.62
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	17.64	30.34
Lease Liabilities	198.88	-
Short-Term Borrowings	3,481.75	3,462.91
Trade Payables	4,275.12	2,539.32
Other Financial Liabilities	21.34	49.96
Total	7,994.73	6,082.53

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 31st March 2019 and 31st March 2018,:

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 (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
		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-20	0.89	1.07	-	(0.18)	
	31-Mar-19	0.89	0.38	-	0.51	

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:

Particulars	(₹ in Lakhs)	
	Total	FVTOCI financial investments
Balance as at 1 April 2018	0.89	0.89
Addition / (Deletion) during the year	-	-
Balance as at 31 March, 2019	0.89	0.89
Addition / (Deletion) during the year	0.18	0.18
Balance as at 31 March, 2020	1.07	1.07

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

32.8 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, 2020	As at 31 st March, 2019
0-180 days	8,170.36	5,644.10
More than 180 Days	229.21	123.49
Total	8,399.57	5,767.59

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 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 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
As at 31 March 2019			
Borrowings	3,462.91	3,462.91	-
Trade Payables	2,539.32	2,539.32	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	80.30	49.96	30.34

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, 2020	As at 31 st March, 2019
Financial assets		
Trade receivables	324.06	330.62
Net exposure for assets	324.06	330.62
Financial liabilities		
Trade Payables	89.96	-
Net exposure for liabilities	89.96	-
Net exposure (Assets - Liabilities)	234.10	330.62

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, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
USD	11.71	16.53	(11.71)	(16.53)

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, 2020	For the year ended 31 st March, 2019
Term loans - long term		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	38.97	80.30
Short term borrowings	3,481.75	3,462.91
	3,520.73	3,543.21

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, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Term loans-long term	-	-	-	-
Short term borrowings	8.70	8.66	(8.70)	(8.66)

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

32.9 (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

32.10 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.

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, 2019. Accordingly, a right-of-use asset of `222.29 Lakhs and a corresponding lease liability of `222.29 Lakhs has been recognized. 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, 2020:

(₹ in Lakhs)

Particulars	As at 31 st March, 2020
Balance at the beginning of the year	--
Lease liabilities recognised on initial application of Ind-AS 116	222.29
Finance cost accrued during the period	6.37
Payment of lease liabilities	29.78
Balance at the end	198.88
Lease Liability – Current	39.03
Lease Liability - Non-Current	159.86

Expenses relating to short term leases and low value assets have been disclosed under Rent in Note. 31

32.11. COVID IMPACT

The outbreak of Corona Virus Pandemic (Covid-19) started in December 2019 and spread across the globe thereafter. The impact of it was felt in India during March 2020 which forced the Government to put several restrictions including complete lockdown effective 25th March 2020. As a result, the operations of the Company remained suspended for almost a week during current financial year. The Company is closely monitoring the impact due to Covid-19 on various aspects of its business including its customers / vendors / employees and other business partners.

The Company has made a detailed assessment of its liquidity position for the Financial Year 2020-2021 including recoverability and carrying value of its assets comprising all fixed assets as well as current assets including land and building, plant and machinery, investments, inventories, trade receivables, etc.

Based on current indicators of future economic condition, the Company expects to recover the carrying amounts of these assets after providing for write off/rebate. The current situation is very dynamic entailing lot of uncertainties about the extent and timing of the potential future impact on the Company's business operations. The Company will continue to monitor closely any material changes to future economic condition of its business operations.

32.12. The previous year figures have been reclassified/regrouped wherever necessary.

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

M. S. PARIKH
Partner
Membership No.: 08684

Mumbai : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

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, 2020, 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, 2020, 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.31.10 to the consolidated financials results, 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, 2020, 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 24 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 System & Solution System PTE Ltd, a wholly owned subsidiary and located outside India whose financial statements reflect total assets (net) of Rs.90.03/-(lakhs) as on March 31, 2020 and total income of Rs. 90.41/- lakhs 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 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 and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, (including other comprehensive income) the consolidated change 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 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2020 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
- (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, 2020 on its financial position in its Consolidated Ind AS financial statements Refer to Note No 31.5.
 - ii. The Consolidated Financial Statement have long term contracts as at March 31, 2020 for which there are no material foreseeable losses. The Consolidated Financial Statement do not have derivative contracts as at March 31, 2020.
 - 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, 2020.

For M S P & CO.
Chartered Accountants
Firm Registration : 107565W

M. S. PARIKH
Partner
Membership No.: 08684

Mumbai : July 31, 2020

UDIN20008684AAAAAQ6831

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, 2020 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, 2020, 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 : 107565W**

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

Mumbai : July 31, 2020

UDIN20008684AAAAAQ6831

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	178.67	249.60
(b) Right-of-use asset	3	195.60	-
(c) Financial Assets			
(i) Investments	4	1.07	0.89
(d) Deferred Tax Assets (Net)	17	11.49	-
		<u>386.83</u>	<u>250.49</u>
2 Current assets			
(a) Inventories	5	871.85	1,679.15
(b) Financial Assets			
(i) Trade receivables	6	8,399.57	5,961.44
(ii) Cash and cash equivalents	7	393.69	790.50
(iii) Bank balances other than mentioned in cash and cash equivalents	8	1,350.78	1,082.43
(iv) Short-term loans and advances	9	14.21	16.82
(v) Other Financial Assets	10	265.26	10.33
(c) Other Current Assets	11	622.60	300.22
		<u>11,917.96</u>	<u>9,840.89</u>
	TOTAL	<u>12,304.80</u>	<u>10,091.38</u>
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	12	917.31	917.31
(b) Other Equity	13	2,785.30	2,272.77
		<u>3,702.60</u>	<u>3,190.08</u>
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Long-Term Borrowings	14	17.64	30.34
(ii) Lease Liabilities	15	159.86	-
(b) Long-Term Provisions	16	111.50	92.40
(c) Deferred Tax Liabilities (Net)	17	-	10.55
(d) Other non-current liabilities	18	8.95	6.93
		<u>297.95</u>	<u>140.22</u>
3 Current liabilities			
(a) Financial Liabilities			
(i) Short-Term Borrowings	19	3,481.75	3,462.91
(ii) Trade Payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		2.02	9.60
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,279.91	2,702.37
(c) Lease Liabilities	21	39.03	-
(iii) Other Financial Liabilities	22	21.34	49.96
(b) Other Current Liabilities	23	480.19	536.26
		<u>8304.24</u>	<u>6761.09</u>
TOTAL		<u>12,304.80</u>	<u>10,091.38</u>
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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Mumbai : July 31, 2020

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**(₹ in Lakhs)**

Particulars	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
1. INCOME			
(a) Revenue from Operations	24	32,884.91	31,072.94
(b) Other Income	25	172.96	117.88
2 Total Revenue		33,057.87	31,190.82
3 EXPENSES			
(a) Purchases of Stock-In-Trade	26	27,640.72	26,996.89
(b) Changes In Inventories Of Stock-In-Trade	27	807.30	-298.37
(c) Employee Benefits Expense	28	2,237.65	2,448.44
(d) Finance Costs	29	758.19	592.91
(e) Depreciation And Amortisation Expense	2-3	102.57	72.18
(f) Other Expenses	30	754.88	639.77
4 Total Expenses		32,301.32	30,451.82
5 Profit before tax		756.55	739.00
6 Tax Expense:			
(a) Current Tax		207.21	238.22
(b) Deferred Tax		-22.04	-16.29
		185.17	221.93
7 Profit for the year		571.38	517.07
8 Other Comprehensive Income			
(i) "Items that will not be reclassified to profit or loss"			
Measurement of defined employee benefit plan		-25.80	1.28
Gains and losses from investments in equity instruments		0.69	0.00
Difference in foreign exchange rates		6.17	1.38
(ii) "Income tax relating to items that will not be reclassified to profit or loss"		6.49	-0.46
Other comprehensive income for the year, net of tax		-12.45	2.19
9 Total comprehensive income for the year		558.94	519.27
10 Earnings per equity share (Profit for the year)			
(i) Basic (In `)		6.23	6.42
(ii) Diluted (In `)		6.23	6.42
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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	756.55	739.00
Add: Depreciation And Amortisation Expense	102.57	72.18
(Profit)/Loss on sale of Property, Plant and Equipment	0.00	-0.53
Finance Costs	758.19	592.91
Difference in Foreign Exchange Rates	6.90	1.38
Loss On Investments Written off	0.51	-
	868.18	665.93
Operating profit before working Capital	1,624.73	1,404.94
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
Inventories	807.30	-298.37
Trade receivables	-2,438.13	-2,007.73
Other current financial assets	-520.67	-587.93
Other current assets	-320.07	-20.99
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in Current Liabilities & Provision		
Trade payables	1,569.97	2,123.27
Other current financial liabilities	-28.62	32.08
Other current liabilities	-83.14	-57.35
Other non current Liabilities	2.03	0.00
Provisions	19.10	24.75
	-992.24	-792.29
Cash Generated from Operations	632.49	612.65
Taxes paid	-203.02	-208.65
Net Cash Flow from operating activities	429.47	404.00
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-4.96	-40.73
Sale of Property, Plant and Equipment	0.00	4.00
Net Cash Used for Investing Activities	-4.96	-36.73
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	-23.40	0.00
Payment of Dividend	-45.87	0.00
Money received against share warrants	0.00	339.75
Repayment of long-term borrowings	-12.71	-19.36
Short-term borrowings (net)	18.85	-16.65
Interest Paid	-758.19	-592.91
Net cash From Financing Activities	-821.32	-289.16
D Net Increase in Cash and Cash Equivalents (A+B+C)	-396.81	78.11
E Cash and Cash Equivalents at the beginning of the year	790.50	712.39
F Cash and Cash Equivalents at the end of the year	393.69	790.50
Cash & Cash Equivalent Comprise of		
Cash on hand	1.53	3.74
Balances with banks in current accounts	89.88	122.38
Demand deposits with Banks	302.28	664.38
Cash and Cash Equivalents as per Note 7	393.69	790.50

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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March, 2020

A. Equity Share Capital (Note No. 12)

Particulars	Equity Share Capital
As at 1st April 2018	6,90,80,800
Changes in Equity Share Capital	2,26,50,000
As at 31st March 2019	9,17,30,800
Changes in Equity Share Capital	-
As at 31st March 2020	9,17,30,800

B. Other Equity (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			
Balance as at 1st April 2018	98.50	1,424.30	4.21	113.25	1,640.26
Changes in accounting policy or prior period errors					-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Income tax	-				
Additions during the year	226.50	517.07	2.19	339.75	1,085.52
Issue of Equity Shares	-	-	-	(453.00)	(453.00)
Balance as at 31st March 2019	325.00	1,941.37	6.40	-	2,272.78
Balance as at 1st April 2019	325.00	1,941.37	6.40	-	2,272.78
Changes in accounting policy or prior period errors					-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the year					
Capital Reserve	-	0.73	-	-	0.73
Transfer to retained earnings	-	-	-	-	-
Additions during the year	-	571.38	(12.45)	-	558.94
Dividend Paid	-	(45.87)	-	-	(45.87)
Other Adjustments	-	(1.28)	-	-	(1.28)
Issue of Equity Shares	-	-	-	-	-
Balance as at 31st March 2020	325.00	2,466.35	(6.04)	-	2,785.30

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 : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

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Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

1. Company Overview

Dynacons Systems & Solutions Ltd. ('the Holding Company') 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

a) Statement of compliance and basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The consolidated financial statements were approved for issue by the Board of directors on 31st July 2020.

b) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also functional currency of the Holding Company. All amounts have been rounded-off to the nearest lacs unless otherwise indicated. Further, amounts below INR 50,000 have been rounded off to "-" in the consolidated financial statements while rounding off to the nearest lacs unless otherwise indicated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

c) Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent and all 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 2020. 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-20	31-Mar-19
Dynacons Systems & Solutions PTE. Ltd	Singapore	100	100

d) 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 IndAS 110 – Consolidated Financial Statements, as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group combines the financial statements of the Parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses and gains resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the

effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'.

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

e) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;

Current assets include current portion of the noncurrent financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months

for the purpose of classification of assets and liabilities as current and non-current.

f) 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

g) Use of estimates and judgements

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

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

Judgements

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

- Lease classification – Note 2.11

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 2.15
- Estimated useful life of property, plant and equipment and Intangible assets – Note 2.9
- Estimation of defined benefit obligations— Note 2.14
- Impairment of trade receivables- Note 2.19

h) 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

Transition to Ind AS 116

Effective 01 April 2019, the company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on 01 April 2019 using the modified retrospective method. Accordingly, comparatives for the previous year ended 31 March 2019 have not been retrospectively adjusted. The leases which are classified as Right-of-Use (RoU) assets are in the nature of prepaid lease rentals. Therefore, the cumulative effect of applying the standard in the retained earnings is not material.

The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

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 April 1, 2020.

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

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to 1 April, 2014, the carrying amount as on 1 April, 2014 is depreciated over the remaining useful life based on an evaluation:

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

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

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

2.10. Research & Development Expenditure

Revenue expenditure incurred on research is charged to revenue in the year it is incurred. Assets used for research are included in Fixed Assets. Development Expenditure are capitalized only if future economic benefits are expected to flow.

2.11. 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.

Operating Lease

Effective 01 April 2019, the Group adopted Ind AS 116 "Leases" and applied to all lease contracts existing on 01 April 2019 using the modified retrospective method. Accordingly, comparatives for the previous year ended 31 March 2019 have not been retrospectively adjusted. The leases which are classified as ROU are in the nature of prepaid lease rentals. Therefore, the cumulative effect of applying the standard in the retained earnings is not material.

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.

2.12. 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.

2.13. 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.

2.14. Retirement Benefits to employees

i. Post-employment benefit plans

Defined contribution plan

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

Defined Benefit plan

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

ii. Short-term employee benefits

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

2.15. Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and Deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.16. Borrowing Costs

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

2.17. Provisions (other than employee benefits) and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the note 31.5 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.

2.18. 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, 2020, 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.

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.

2.21. Earnings per share

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

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

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Furnitures & Fixtures	Vehicles (Cars)	Office Equipment	Computer	TOTAL
Gross block					
Balance as at 1 April 2018	8.43	112.22	1.52	280.37	402.54
Additions	-	39.40	1.33	-	40.73
Disposals	-	16.53	-	-	16.53
Balance as at 31 March 2019	8.43	135.10	2.85	280.37	426.74
Additions	4.96	-	-	-	4.96
Disposals	-	-	-	-	-
Balance as at 31 March 2020	13.39	135.10	2.85	280.37	431.70
Accumulated depreciation/amortisation					
Balance as at 1 April 2018	0.75	13.48	0.72	103.06	118.01
Depreciation for the year	0.82	19.78	0.47	51.11	72.18
Reversal on disposal of assets	-	13.06	-	-	13.06
Balance as at 31 March 2019	1.57	20.19	1.20	154.17	177.14
Depreciation for the year	1.04	20.51	0.42	53.92	75.89
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2020	2.62	40.71	1.61	208.09	253.03
Net Block					
Balance as at 1 April 2019	6.86	114.90	1.65	126.19	249.60
Balance as at 31 March 2020	10.77	94.39	1.24	72.27	178.67

Charge has been created over property, plant and equipments of the company in regard to borrowings (Refer note 19.1)

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
3 RIGHT OF USE ASSET		
Particulars Leased Premises	LEASED PREMISES	
Gross Carrying Value :		
Balance as at 31-03-2019	-	
Adjustment on Transition to IND AS 116	222.29	
Disposals / Adjustments	-	
Balance as at 31-03-2020	<u>222.29</u>	
Accumulated depreciation :		
Balance as at 31-03-2019	-	
Charge for the year	26.68	
Other Adjustments	-	
Balance as at 31-03-2020	<u>26.68</u>	
Net carrying amount :		
As at 31-03-2019	-	
As at 31-03-2020	195.60	
4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments designated at fair value through Other Comprehensive Income		
(ii) In Equity Shares - Unquoted, fully paid up		
Kapol Co-op Bank Ltd ((31st March, 2019 - 5,125) Equity Shares of ₹ 10 each)	-	0.51
(iii) In Equity Shares - Quoted, fully paid up		
Bank Baroda Limited (2,000 (31st March, 2019 - 2,000) Equity Shares of ₹ 10 each fully paid up)	1.07	0.38
	<u>1.07</u>	<u>0.89</u>
Total	<u>1.07</u>	<u>0.89</u>
(iii) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').		
5 INVENTORIES		
(valued at lower of cost and net realisable value)		
Stock-in-trade	871.85	1679.15
Total	<u>871.85</u>	<u>1679.15</u>
Inventories of Rs. 871.85 lakhs (as at 31st March, 2019: Rs. 1,679.15 lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)		

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
6 TRADE RECEIVABLES (Unsecured and Considered Good)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	8,399.57	5,961.44
Trade Receivables which have significant increase in Credit Risk;	-	-
Trade Receivables - credit impaired	-	-
	8,399.57	5,961.44
Less Provision for expected credit loss	-	-
Total	8,399.57	5,961.44
6.1 Trade Receivables of Rs. 8,399.57 lakhs (as at 31st March, 2019: Rs. 5961.44 lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)		
6.2 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, hence no provision is made for Expected credit Losses		
7 CASH AND CASH EQUIVALENTS		
Cash on hand	1.53	3.74
Balances with banks in current accounts	89.88	122.38
Demand deposits with Banks	302.28	664.38
Total	393.69	790.50
Deposits Accounts of Rs. 302.28 lakhs (As at 31st March, 2019 Rs. 664.38) 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	1,350.78	1,082.43
Total	1,350.78	1,082.43
9 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Loans & Advances to employees		
-Loans Receivables considered good - Unsecured	14.21	16.82
Total	14.21	16.82
10 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)		
Security Deposits	265.26	10.33
Total	265.26	10.33
11 OTHER CURRENT ASSETS		
Advance income tax (Net of provisions)	622.60	300.22
Other loans and advances		
-Loans Receivables considered good - Unsecured	-	-
Total	622.60	300.22

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020
(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
12 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 : (91,73,080 Equity shares of ₹ 10 each) (Previous year 91,73,080 Equity shares of ₹ 10 each)	917.31	917.31

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

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	6,908,080	690.81	6,378,080	637.81
Issued during the year	2,265,000	226.50	530,000	53.00
Equity Shares at the end of the year	9,173,080	917.31	6,908,080	690.81

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

Name of Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	6,20,948	8.99	6,20,948	8.99
Dharmesh Shirish Anjaria	6,36,220	9.21	6,36,220	9.21
Parag Jitendra Dalal	6,27,200	9.08	6,27,200	9.08
Nilam Anjaria	3,64,602	5.28	3,64,602	5.28

12.3 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.

12.4 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.

12.5 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.

12.6 The Company declares entitled and pays dividends in Indian Rupees. The Board of Directors in their meeting held on August 14, 2019, declared an interim dividend of ₹ 0.50/- per share on the nominal value of ₹ 10/-each and paid to all the eligible shareholders on August 26, 2019. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2020.

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
13 OTHER EQUITY		
Capital Reserve	0.73	-
Securities premium account	325.00	325.00
General reserve	190.46	190.46
Retained earnings	2,275.15	1,750.91
Other comprehensive income	-6.05	6.40
Total	<u>2,785.30</u>	<u>2,272.77</u>
The movement in Other Equity:		
(a) Capital Reserve		
Opening Balance	-	-
Add : Consolidation of Subsidiary Investments	0.73	-
Total	<u>0.73</u>	<u>-</u>
(b) Securities premium account		
As per last Balance Sheet	325.00	98.50
Add : Premium on shares issued during the year	-	226.50
Total	<u>325.00</u>	<u>325.00</u>
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	1,750.91	1,233.84
Less : Dividend Distributed	-45.87	-
Less : Adjustment of Balance in defined employee benefit plan	-1.28	-
Add: Profit for the year	571.38	517.07
	<u>2,275.15</u>	<u>1,750.91</u>
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	-	113.25
Add : Monies received during the year	-	339.75
	-	453.00
Less : Issue of Shares	-	226.50
Less : Transfer to Securities Premium Account	-	226.50
	-	-
The Company had allotted 22,65,000 equity shares of Rs. 10/- each issued at premium of Rs.10/- during the Previous financial year 2018-19 to the Promoters & Non-Promoters on a preferential basis pursuant to conversion of warrants. These shares are ranking pari-passu with the old equity shares of the company.		
Total reserves and surplus	<u>2,791.34</u>	<u>2,266.37</u>

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020
(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
(f) Other comprehensive income		
Balance at the beginning of the year	6.40	4.21
Add : Movement during the year	-12.45	2.19
Balance at the end of the year	-6.05	6.40
Total Other Equity	2,785.30	2,272.77

14 Long-Term Borrowings

Secured		
Term Loans		
From Banks	17.64	23.16
From Others	-	7.18
Total	17.64	30.34

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

- Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company
- Term loans from Other Parties 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				
	ICICI Bank Ltd	Motor Car	01-Jul-21	4.00	9.36%
	Yes Bank Ltd	Motor Car	15-Oct-22	18.00	8.78%

15 OTHER NON-CURRENT LIABILITIES

Lease Liabilities	159.86	-
	159.86	-

16 LONG TERM PROVISIONS

Provision for employee benefits:

i) Provision for other defined benefit plans		
- Gratuity (Refer Note 31.2)	108.78	65.74
ii) Leave Encashment	2.72	26.66
Total	111.50	92.40

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020
(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
17 DEFERRED TAX LIABILITY NET		
(a) Amounts recognized in profit and loss		
Current tax expense (A) In respect of current year	207.21	238.22
Deferred tax expense (B) In respect of current year	-22.04	-16.29
Adjustments for earlier years (C)	-	-
Tax expense recognized in the income statement (A+B+C)	185.17	221.93

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

Particulars	For the year ended 31 st March, 2020			For the year ended 31 st March, 2019		
	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	(18.94)	6.49	(12.45)	2.65	(0.46)	2.19
	(18.94)	6.49	(12.45)	2.65	(0.46)	2.19

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2020		For the year ended 31 st March, 2019	
	%	Amount	%	Amount
Profit before tax		756.55		739.00
Tax using the Company's domestic tax rate	25.17%	190.41	30.03%	221.93
Tax effect of:				
Permanent Difference	-3.87%	(5.95)	-	-
Others	0.35%	0.72	-	-
TOTAL	-3.51%	(5.24)	-	-
Effective income tax rate	21.65%	185.17	30.03%	221.93

(d) Movement in deferred tax

Particulars	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Deferred Provisions - employee benefits	33.83	23.21	0.00	0.00	(33.83)	(23.21)
Property, plant and equipment	0.00	0.00	23.17	33.76	23.17	33.76
Lease Rentals	0.83	0.00	0.00	0.00	(0.83)	0.00
<i>Deferred tax (assets) liabilities</i>	34.66	23.21	23.17	33.76	(11.49)	10.55

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020
(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
18 OTHER NON CURRENT LIABILITIES		
Unpaid Dividends	2.03	-
Other Payables*	6.93	6.93
Total	<u>8.95</u>	<u>6.93</u>
* Includes staff dues.		
19 Short Term Borrowings		
Secured		
Working Capital Loans :		
From Banks	3,481.75	3,462.91
Total	<u>3,481.75</u>	<u>3,462.91</u>
19.1 Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit, Bank Fixed Deposits and Fixed Assets and personal guarantees of directors.		
20 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	2.02	9.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,279.91	2,702.37
Total	<u>4,281.93</u>	<u>2,711.97</u>

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, 2020	As at 31 March, 2019
Principal amount due and remaining unpaid	2.02	9.60
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	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made during the year.

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020
(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
21 OTHER FINANCIAL LIABILITIES - LEASE		
Lease Liabilities	39.03	-
	39.03	-
22 OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt	21.34	49.96
Total	21.34	49.96
Refer Notes No. 14.1		
23 OTHER CURRENT LIABILITIES		
Other Payables*	480.19	536.26
Total	480.19	536.26
* includes statutory dues and others		
24 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	32,884.91	31,072.94
Total	32,884.91	31,072.94
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	29,595.59	30,371.88
Export (Including deemed export)	3,198.91	-
Singapore (1)	90.41	701.05
Total	32,884.91	31,072.94
(1) Related to operations in Singapore		
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	34,785.81	31,485.96
Less: Adjustements		
Sales return	(1900.90)	(413.02)
Revenue from contracts with Customers	32,884.91	31,072.94

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	8,399.57	5,961.44
Allowance as per Expected credit loss model	-	-
Total	<u>8,399.57</u>	<u>5,961.44</u>
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
25 Other Income		
Interest income	170.25	117.35
Other Non-Operating Income	-	0.53
Others #	2.71	0.00
Total	<u>172.96</u>	<u>117.88</u>
# includes Miscellaneous income		
26 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	27,640.72	26,996.89
Total	<u>27,640.72</u>	<u>26,996.89</u>
27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	871.85	1,679.15
	<u>871.85</u>	<u>1,679.15</u>
Inventories at commencement		
Stock-in-Trade	1,679.15	1,380.78
	<u>1,679.15</u>	<u>1,380.78</u>
Total	<u>807.30</u>	<u>-298.37</u>
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,056.79	2,257.79
Contributions to provident and other funds	121.23	146.40
Staff Welfare Expenses	59.64	44.25
Total	<u>2,237.65</u>	<u>2,448.44</u>
29 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost		
b) Interest on borrowings	6.37	-
c) Other interest cost	322.13	333.66
c) Others	345.19	181.84
	<u>84.50</u>	<u>77.41</u>
	<u>758.19</u>	<u>592.91</u>

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2020**30 OTHER EXPENSES**

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Electricity Expenses	10.59	10.49
Rent	58.27	79.99
Communication Expenses	39.86	13.24
Auditors Remuneration	8.55	7.20
Bank Charges	18.28	10.48
Conveyance And Travelling Expenses	265.49	238.88
Insurance Charges	11.70	10.15
Legal & Professional Charges	138.87	93.54
Loss On Investments Written off	0.51	-
Membership & Subscription	2.06	3.13
Miscellaneous Expenses	26.72	26.46
Corporate social responsibility expenditure	2.56	-
Motor Car Expenses	6.14	4.69
Printing & Stationary Expenses	8.79	10.59
Rates & Taxes	6.54	15.45
Repairs & Maintenance -Building	2.57	2.76
Repairs & Maintenance - Others	6.78	3.90
Sales Promotion Expenses	16.50	20.58
Transportation Charges	124.09	88.24
Total	754.88	639.77

30.1 Auditors Remuneration

- Audit Fees	8.55	7.20
- Other	-	-
Total	8.55	7.20

30.2 Conveyance And Travelling Expenses

Conveyance	154.69	182.76
Travelling Expenses	110.80	56.13
Total	265.49	238.88

30.3 Miscellaneous Expenses includes office Expense postage & telegram exp etc**30.4** Details of corporate social responsibility expenditure

(a)		31 March, 2020	31 March, 2019	
	Amount required to be spent by the Company	7.28	-	
(b)	for the financial year ended 31st March, 2020	In Cash	Yet to be paid in Cash	Total
i	Construction or acquisition of any asset			
ii	On purposes other than (i) above	2.56	4.72	7.28

CSR Committee has identified & approved projects for the balance amount which will be paid in due course.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Additional Information to the financial statements

31.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit after Tax	(₹/lakhs)	571.38	517.07
Weighted Number of Equity Shares	Nos. Lakhs	91.73	80.56
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	6.23	6.42
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	6.23	6.42

32.2. 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	2020	2019
		Amount (₹)	Amount (₹)
I.	Assumptions :		
	Discount Rate	6.82%	7.64%
	Salary escalation rate	4.50%	4.50%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	65.28	48.24
	Current Service Cost	42.23	17.04
	Balance	107.50	65.28
	Liability at the end of the year	107.50	65.28
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	107.50	65.28
	Difference Adjusted	1.28	-
	Amount Recognized in the Balance Sheet	108.78	65.28
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	42.23	17.04
	Expense Recognized in P& L	42.23	17.04
IV.	Expenses Recognized in the OCI :		
	Current Service Cost	(25.80)	1.28
	Expense Recognized in P& L	(25.80)	1.28

Maturity Analysis of the Benefit Payments:

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	31/Mar/20	31/Mar/19
1st Following Year	6.13	3.84
2nd Following Year	2.74	1.97
3rd Following Year	3.34	2.12
4th Following Year	3.59	2.44
5th Following Year	6.41	2.58
Sum of Years 6 To 10	28.03	19.73
Sum of Years 11 and above	282.22	198.26

Sensitivity Analysis

(₹ in Lakhs)

	31/Mar/20	31/Mar/19
Projected Benefit Obligation on Current Assumptions	108.78	66.56
Delta Effect of +1% Change in Rate of Discounting	(13.32)	(7.91)
Delta Effect of -1% Change in Rate of Discounting	16.19	9.57
Delta Effect of +1% Change in Rate of Salary Increase	16.41	9.78
Delta Effect of -1% Change in Rate of Salary Increase	(13.71)	(8.19)
Delta Effect of +1% Change in Rate of Employee Turnover	3.02	2.72
Delta Effect of -1% Change in Rate of Employee Turnover	(3.64)	(3.23)

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) 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) Non Executive Director
Jitesh Jain
Dilip Parmanand Palicha
Archana Phadke
Viren Champaklal Shah

- c) Other than Directors
Ravishankar Singh (Company Secretary)

The transactions with the related parties are as under:

Party	Nature of Payment	2020 (₹ Lakhs)	2019 (₹ Lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.57	2.76
Mr. Shirish M. Anjaria	Remuneration	30.00	21.00
Mr. Parag J. Dalal	Remuneration	27.00	18.00
Mr. Dharmesh S. Anjaria	Remuneration	27.00	18.00
Mr. Ravishankar Singh	Remuneration	1.41	1.13
Dynacons Systems and Solutions Limited	Payment of Dividend by wholly owned subsidiary to holding company	53.30	--
Josh Foundation	Corporate social responsibility expenditure	0.50	-

Notes:

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

31.4. Segment Information

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

31.5. Contingent Liabilities

- a) Claims against the Company not acknowledged as debts:

Particulars	Period to which the amount relates	Forum where the dispute is pending	2020 (₹ Lakhs)	2019 (₹ Lakhs)
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	-	11.14
Income tax	AY 2017-18	CIT Appeals	6.86	-

- b) Guarantees given by the company's bankers ₹ 3181.54 lakhs (previous year ₹ 2906.06 lakhs)

31.6. 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 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:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Non-current borrowings	17.64	30.34
Current maturities of non-current borrowings	21.34	49.96
Current borrowings	3,481.75	3,462.91
Total Debt	3,520.73	3,543.21
Equity	3,702.60	3,190.08
Net debt to equity ratio	0.95	1.11

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:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Financial Assets		
Measured at amortised cost		
Trade receivables	8,399.57	5,961.44
Cash and cash equivalents	393.69	790.50
Bank balances other than above	1,350.78	1,082.43
Loans	14.21	16.82
Other Financial Assets	265.26	10.33
Designated at fair value through other comprehensive income		
Investments in equity shares	1.07	0.89
Total	10,424.58	7,862.41
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	17.64	30.34
Lease Liabilities	198.88	-
Short-Term Borrowings	3,481.75	3,462.91
Trade Payables	4,281.93	2,711.97
Other Financial Liabilities	21.34	49.96
Total	8,001.54	6,255.17

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 2019 and 31 March 2018:

(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-20	0.89	1.07	-	(0.18)
	31-Mar-19	0.89	0.38	-	0.51

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 2018	0.89	0.89
Addition / (Deletion) during the year	-	-
Balance as at 31 March, 2019	0.89	0.89
Addition / (Deletion) during the year	0.18	0.18
Balance as at 31 March, 2020	1.07	1.07

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

31.7. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, investments, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions to hedge and holds short term investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below:

a) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, investment in mutual funds etc.

Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 90 to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

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

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
0-180 days	8,170.36	5,837.95
More than 180 Days	229.21	123.49
Total	8,399.57	5,961.44

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 lookout period.

Liquidity risk is managed by Company through effective fund management. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 90 -120 days based on the credit period. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The Company's non-derivative financial liabilities have contractual maturities as summarised below:

(₹ in Lakhs)

Particular	Contractual cash flows		
	Carrying amount	Upto 1 year	More than 1 year
As at 31 March 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
As at 31 March 2019			
Borrowings	3,462.91	3,462.91	-
Trade Payables	2,711.97	2,711.97	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	80.30	49.96	30.34

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, 2020	As at 31 st March, 2019
Financial assets		
Trade receivables	324.06	330.62
Net exposure for assets	324.06	330.62
Financial liabilities		
Trade Payables	89.96	-
Net exposure for liabilities	89.96	-
Net exposure (Assets - Liabilities)	234.10	330.62

The company has not entered in any forward contract for hedging or otherwise in respect of foreign currencies during the year, and there are no such contracts outstanding at the end of the year.

Sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact on profit or loss

Movement in currency (Before tax)	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
USD	11.71	16.53	(11.71)	(16.53)

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, 2020	For the year ended 31 st March, 2019
Term loans - long term		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	38.97	80.30
Short term borrowings	3,481.75	3,462.91
	3,520.73	3,543.21

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, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Term loans - long term	-	-	-	-
Short term borrowings	8.70	8.66	(8.70)	(8.66)

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

31.8. 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.

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, 2019. Accordingly, a right-of-use asset of ₹ 222.29 Lakhs and a corresponding lease liability of ₹ 222.29 Lakhs has been recognized. 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, 2020:

(₹ in Lakhs)

Particulars	31 st March, 2020
Not at Balance at the beginning of the year	--
Lease liabilities recognised on initial application of Ind-AS 116	222.29
Finance cost accrued during the period	6.37
Payment of lease liabilities	29.78
Balance at the end	198.88
Lease Liability – Current	39.03
Lease Liability - Non-Current	159.86

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

31.9. 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.	2.25%	83.21	(0.07)	(40.37)	-49.54%	6.17	(0.06)	(34.20)

31.10. COVID IMPACT

The outbreak of Corona Virus Pandemic (Covid-19) started in December 2019 and spread across the globe thereafter. The impact of it was felt in India during March 2020 which forced the Government to put several restrictions including complete lockdown effective 25th March 2020. As a result, the operations of the Company remained suspended for almost a week during current financial year. The Company is closely monitoring the impact due to Covid-19 on various aspects of its business including its customers / vendors / employees and other business partners.

The Company has made a detailed assessment of its liquidity position for the Financial Year 2020-2021 including recoverability and carrying value of its assets comprising all fixed assets as well as current assets including land and building, plant and machinery, investments, inventories, trade receivables, etc.

Based on current indicators of future economic condition, the Company expects to recover the carrying amounts of these assets after providing for write off/rebate. The current situation is very dynamic entailing lot of uncertainties about the extent and timing of the potential future impact on the Company's business operations. The Company will continue to monitor closely any material changes to future economic condition of its business operations.

31.11. The previous year figures have been reclassified/regrouped wherever necessary.

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

M. S. PARIKH
Partner
Membership No.: 08684

Mumbai : July 31, 2020

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Mumbai : July 31, 2020

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

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