



DYNACONS
SOLUTIONS THAT EMPOWER

September 6, 2019

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

Sub: Annual Report of Dynacons Systems & Solutions Ltd for Financial Year 2018-2019

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report of Dynacons Systems & Solutions Ltd for Financial Year 2018-2019.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For Dynacons Systems & Solutions Limited

Ravi Singh
Company Secretary

Encl.: Copy as above

Dynacons Systems & Solutions Limited

CIN NO : L72200MH1995PLC093130

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

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

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

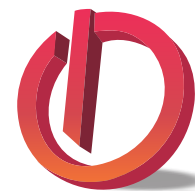
+91-22-66889900 | +91-22-26716641 | www.dynacons.com | sales@dynacons.com | 1860-123-4444

2019

**24TH ANNUAL
REPORT**



**SOLUTIONS THAT
EMPOWER**



DYNACONS



BREAKING
LINEARITY IN THE
BUSINESS MODEL
BY DEPENDING ON
TECHNOLOGY
RATHER THAN
PEOPLE.

KNOW DYNACONS

→ YESTER YEARS

Founded in 1995

Listed since 2000 in BSE & NSE

→ Highly Experienced and Professional Management Team

- Strategic alliances with Global Technology Companies
- Advanced technology capabilities to deliver comprehensive solutions to customers
- Over 2000 clients ranging verticals from banking, Government, Pharmaceuticals, Insurance, Educations, Services, Manufacturing, Healthcare, Energy, Retail and Telecom.

→ Technology Driven Business Model

We have solution architects, systems integrators and consultants, plus 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.



ISO 9001:2008



ISO 14001:2015



ISO 20000-1:2011

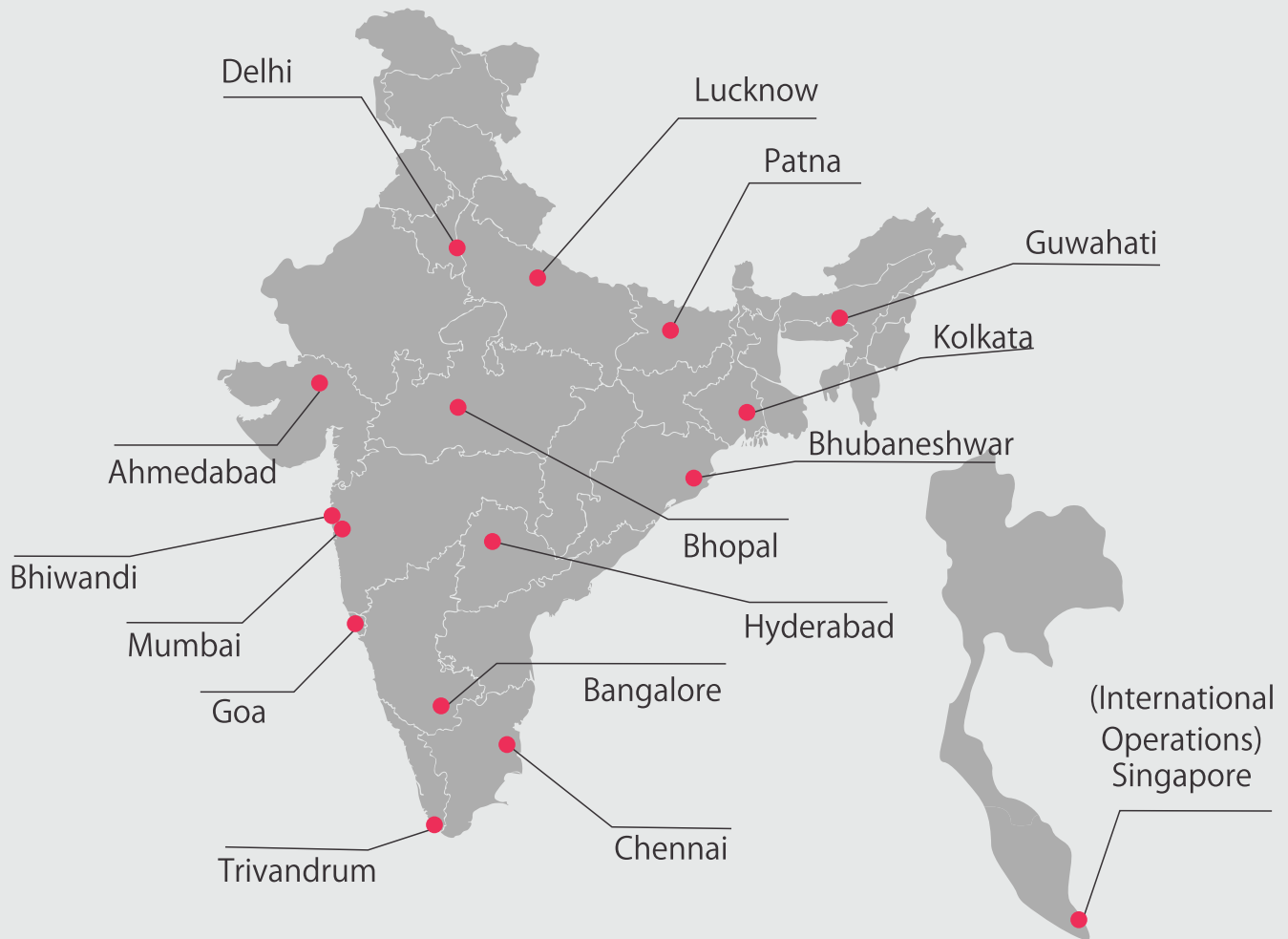


ISO 27001:2013



CMMI Maturity
Level 3

OUR OFFICES



MULTI-CENTRE SUPPORT

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

OUR OFFERING



← System Integration

Networking & Security Solutions →



← Smart City and Surveillance Solutions



Data Center Solutions →



← Workplace Solutions



Managed Services →



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.

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NOTICE

NOTICE is hereby given that the Twenty fourth Annual General Meeting of the members of **Dynacons Systems & Solutions Limited** (CIN : L72200MH1995PLC093130) will be held on Monday, 30th Day of September, 2019 at 2.30 P.M., at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, 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, 2019, the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Parag Dalal (Din: 00409894), who retires from the office of Whole-time director by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **Re-appointment of Mr. Shirish Anjaria (Din no.: 00444104) as Chairman cum Managing Director:**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard, and as per Article 106 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded for re-appointment of Mr. Shirish M. Anjaria (Din no. 00444104), as Chairman cum Managing Director of the Company, for a period of 3 (Three) years with effect from February 1, 2019, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Shirish M. Anjaria, as Chairman cum Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be necessary, expedient or proper to give effect to the above resolution.”

4. **Re-appointment of Mr. Parag Dalal (Din no.: 00409894) as Whole-time Director:**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any other law and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard and as per Article 90 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded for re-appointment of Mr. Parag Dalal (Din. No. 00409894), as Whole Time Director of the Company, for a period of 3 (Three) years with effect from February 1, 2019, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Parag Dalal, as Whole Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be necessary, expedient or proper to give effect to the above resolution.”

5. Re-appointment of Mr. Dharmesh Anjaria (Din no.: 00445009) as Whole-time Director:

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any other law and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard and as per Article 90 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded for re-appointment of Mr. Dharmesh S. Anjaria (Din. No. 00445009), as Whole Time Director of the Company, for a period of 3 (Three) years with effect from February 1, 2019, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Dharmesh S. Anjaria, as Whole Time Director (designated as Chief Financial Officer “CFO”) including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be necessary, expedient or proper to give effect to the above 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

Place: Mumbai
Date : August 31, 2019

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

NOTES:

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 2 to 5 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. 2, 3, 4 & 5 is furnished as annexure to the Notice.

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENTS OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
2. 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 24th AGM.
3. 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.
4. Members / Proxies should bring the enclosed attendance slip duly filled in, mentioning details of their DP ID and Client ID/Folio No. for attending the meeting, along with the Annual Report.
5. The proxy holder shall provide his identity proof at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.
7. 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 Tuesday, the 24th day of September, 2019 to Monday, the 30th day of September, 2019. (both days inclusive).
8. 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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
15. 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.
16. Annual Listing fees for the year 2019-20 has been paid to all stock exchange wherein shares of the Company are listed.
17. 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.
18. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.dynacons.com.
19. A Route Map showing directions to reach the venue of 24th Annual General Meeting is annexed in the last page.
20. 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 facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The process and manner for remote e-voting are as under:

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.nsd.com.
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- 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.** In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) or requesting physical copy]:
- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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 - ii. Please follow all steps from point A above, to cast vote.
- C.** Other Instructions:
- i. The remote e-voting period commences on September 25, 2019 (9:00 am IST) and ends on September 29, 2019 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2019, may cast their vote by remote e-voting. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - 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, 2019, 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, 2019.
 - 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 Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - viii. 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.

- ix. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- x. 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 fourth AGM of the Company on September 30, 2019 and communicated to the BSE Limited and National Stock Exchange of India 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

Place: Mumbai
Date : August 31, 2019

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. 3, 4, & 5 of the accompanying Notice dated August 31, 2019.

ITEM NO. 3

Mr. Shirish M. Anjaria, who was appointed as Chairman cum Managing Director by the members to hold office upto January 31, 2019 has attained the age of 74 years and hence continuation of his employment as Executive Chairman cum Managing Director requires the approval of members by way of a special resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr. Shirish M. Anjaria has rich and varied experience in the Industry and has been involved in the operations of the Company since inception, it would be in the interest of the Company to continue the employment of Mr. Shirish M. Anjaria as Executive Chairman cum Managing Director.

Mr. Shirish M. Anjaria is the promoter and founder of Dynacons Systems & Solutions Limited. He is currently the Chairman cum Managing Director of Dynacons Systems & Solutions Limited. He is a business leader with successful & fruitful career of over five decades and has guided the Company through diversification and growth to emerge as a leader in Information Technology industry.

Mr. Shirish M. Anjaria had completed his term as a Chairman cum Managing Director (00444104) on February 1, 2019. The Board of Directors at their Meeting held on January 31, 2019 considered and decided, subject to the approval of members, re-appointment of Mr. Shirish M. Anjaria as Chairman cum Managing Director for a further period of 3 years from the expiry date of his term, on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on January 31, 2019.

Mr. Anjaria is a graduate in Science and holds a post graduate degree in Law. He is a Certified Associate of the Federation of Insurance Institutes. He has wide experience across industries and has rich exposure in Business Management, Corporate Affairs and customer relations. He has spearheaded the growth of the Company from a start-up to and is currently one of the leading IT Infrastructure Solutions Providers in the country. 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. Mr. Anjaria has attained the age of 74 years, at this crucial juncture, the continued services of Mr. Anjaria is considered essential for guiding the Company to the next level of growth.

The remuneration package of Mr. Shirish Anjaria, as determined by the Remuneration Committee at its meeting held on January 31, 2019 and approved by the Board of Directors at the Board Meeting held on January 31, 2019, is forming the part of Item no. 3 of the Agenda for this Meeting.

Mr. Shirish Anjaria's appointment as a Chairman cum Managing Director on the Board of the Company was on the basis of his being liable to retire by rotation. He will continue to be the Director of the Company till his turn comes for retirement by rotation. He is eligible to seek re-election at the Annual General Meeting in which he retires by rotation.

The Board of directors will also be at liberty to alter, vary and revise the remuneration from time to time within the limit prescribed under Schedule V to the Companies Act, 2013, or any amendment or statutory modifications thereto.

In the terms of provisions of the Companies Act, 2013, consent of shareholders is required for the appointment of Mr. Shirish Anjaria as the Chairman cum Managing Director. The Board recommends the resolution for the approval of the members as a Special resolution since Mr. Anjaria has attained the age of 74

years. The copy of the Board resolution and the letter issued to Mr. Shirish Anjaria, Chairman cum Managing Director will be available for inspection between 11.00 A.M. to 1.00 P.M. on all working days (Monday to Friday) at the corporate office of the Company.

None of the Directors of the Company except Mr. Shirish Anjaria, Mr. Dharmesh Anjaria and their relatives are concerned or interested in the proposed resolution.

The broad particulars of the Remuneration payable to and the terms of re-appointment of Mr. Shirish M. Anjaria are as under:

Period of Agreement: From 01.02.2019 to 31.01.2022

1. Salary : Rs. 7,50,000/- per month (Rupees Seven Lakhs Fifty Thousand Only)
2. Commission : 1% (One percent) of the Net Profit of the Company, subject to a ceiling of 50% (Fifty percent) of the salary.
3. Perquisites : In addition to the above, the Chairman cum Managing Director shall be entitled to the all the perquisites listed herein below:
 - a. Housing: The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Chairman shall be entitled to such house rent allowance as may be decided by the Board of Directors from time to time subject however to a limit of 60% of his salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
 - b. Medical Reimbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
 - c. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company applicable to its senior managers.
 - d. Club Fees: Fees of clubs, subject to a maximum of three clubs.
 - e. Personal Accident Insurance / Group Like Insurance: Premium not to exceed Rs. 25,000 per annum.
 - f. Provident Fund / Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.
 - g. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.
 - h. Use of Car with driver: The Company shall provide the Chairman a car with driver for business and personal use.
 - i. Telephone Facility at Residence: Telephone facility shall be provided at the Chairman's residence. All personal long distance calls shall be billed by the Company to the Chairman.

Other terms and conditions:

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Part II Section II of Schedule V read with Section 196 and 197 of the Companies Act, 2013, subject to maximum remuneration to be paid, as might be decided by the Board of Directors.
- b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Shirish Anjaria remuneration, perquisites not exceeding the ceiling laid down in Part II Section II of Schedule V of the Companies Act, 2013, as might be decided by the Board of Directors.

- c. "Family" means the spouse and dependent children of the Chairman cum Managing Director.
- d. Leave with full pay and allowances shall be allowed as per the Company's rules.
- e. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- f. No sitting fees shall be paid to the Chairman cum Managing Director for attending the meetings of the Board of Directors or Committees thereof.
- g. The Chairman shall not be liable to retire by rotation.

The Company entered into separate agreement with Mr. Shirish Anjaria, which contained inter alia, the above terms and conditions.

The information below is in relation to the proposal contained in item No.4.of the Notice relating to re-appointment of Mr. Shirish M. Anjaria as Chairman cum Managing Director of the Company.

I. General Information

(1) Nature of Industry:

The Company is in the business of Information Technology Solutions & Services.

(2) Date or expected date of commencement of commercial production:

The Company has been in business for the past 24 years.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018	31.03.2017
Sales(Gross)	30371.88	21069.54	15829.02
Profit before Tax	631.12	283.78	164.36
Profit after Tax	418.61	189.07	123.86
Shareholders fund	3073.40	2314.22	2042.46
Rate of dividend on equity shares(%)	-	-	-

(5) Foreign investments or collaborators, if any: N. A.

II. Information about the appointee:

(i) Background details:

Mr. Shirish M. Anjaria the founder of Dynacons Systems & Solutions Limited. He is a Graduate in Science and Post Graduate in Law with more than 43 years of rich work experience. He started his career in India with Insurance and National Insurance Company Limited and then turned into an entrepreneur starting his own venture. He is also an Associate of Federation of Insurance Institute. He has wide experience of Business Management, Corporate Affairs and Customer Relations.

(ii) Past Remuneration:

For the financial year 2017-2018, Mr. Shirish M. Anjaria's total remuneration was Rs.21,00,000/-.

(iii) Recognition or awards/ Job profile and his suitability:

Mr. Shirish M. Anjaria has managed the Company ably since inception. In the opinion of the Board, he is eminently suited for the position he holds.

(iv) Remuneration proposed:

The remuneration of Mr. Shirish M. Anjaria is set out in point no.1.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.:

The remuneration of Mr. Shirish M. Anjaria is in tune with the remuneration in similar sized companies in similar segment of business.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.:

Mr. Shirish M. Anjaria is the promoter of the Company and founder of the Dynacons Systems & Solutions Limited. He has equity holdings in the Company. He has no other pecuniary relationship directly or indirectly with the Company or any of its directors other than Mr. Dharmesh Anjaria, Whole-time director of the Company.

(III) Other Information

Reasons of inadequate profits: On account of current economic condition and intense competition in the IT industry, there is a continued pressure on margins & profitability.

Steps taken or proposed to be taken for improvements:

The Company has undertaken several initiatives to identify new growth areas and simultaneously restructure existing growth engines. The Company has taken various steps to improve efficiency and reduce costs including right sizing of manpower. The marketing and sales functions have been revamped and the current order book reflects the results of the improved efforts put in by the Company.

The agreement also sets out the duties and various obligations of Mr. Shirish M. Anjaria. The re-appointment of Mr. Shirish M. Anjaria by way of a special resolution, as a Chairman cum Managing Director and minimum remuneration payable to him are required to be approved by the Members at this Annual General Meeting.

Mr. Shirish M. Anjaria and Mr. Dharmesh S. Anjaria, are concerned and interested in this resolution, as it relates to his relative's reappointment and payment of remuneration. No other director is directly or indirectly concerned or interested.

Expected increase in productivity and profits in measurable terms:

The focus on customer-centricity, deep domain expertise, agility in building new capabilities, and constant innovation and execution excellence have resulted in enduring customer relationships. The Company is taking several initiatives to improve market share and financial performance. We expect the growth in business and profitability to rise by 15-20% annually.

The Board recommends the resolution at item No. 3 for approval by member.

ITEM NO. 4 & 5

The Board of Directors of the Company (the Board), at its meeting, held on January 31, 2019, has subject to the approval of members, re-appointed, Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria as Whole-time Directors (Executive Directors) for a further period of 3 years from the expiry dates of their respective terms on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on January 31, 2019.

A brief profile of Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria, nature of their expertise in specific functional areas and names of companies in which they hold Directorship and membership/chairmanship of Board Committee's as stipulated and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, are annexed hereto.

The remuneration package of Mr. Parag Dalal & Mr. Dharmesh Anjaria, as determined by the Remuneration Committee dated January 31, 2019 and approved by the Board of Directors at the Board Meeting held on January 31, 2019 is forming the part of the Resolution under Item no. 4 & 5 of the Agenda for this Meeting. Mr. Parag Dalal's & Mr. Dharmesh Anjaria's appointment as a Whole-time directors on the Board of the Company was on the basis of them being liable to retire by rotation. They will continue to be the Whole-time directors of the Company till their term comes for retirement by rotation. They are eligible to seek re-election at the Annual General Meeting in which they retire by rotation.

The Board of directors will also be at liberty to alter, vary and revise the remuneration from time to time within the limit prescribed under Schedule V to the Companies Act, 2013, or any amendment or statutory modifications thereto.

The broad particulars of the Remuneration payable to and the terms of the respective re-appointment of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria are as under:

Period of Agreement: From 01.02.2019 to 31.01.2022

1. Salary : Rs. 6,00,000/- per month (Rupees Six Lakhs Only)
2. Commission : 1% (One percent) of the Net Profit of the Company, subject to a ceiling of 50% (Fifty percent) of the salary.
3. Perquisites : In addition to the above, the Whole Time Director shall be entitled to the all the perquisites listed herein below:
 - a. Housing: The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Whole Time Director shall be entitled to such house rent allowance as may be decided by the Board of Directors from time to time subject however to a limit of 60% of his salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
 - b. Medical Reimbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, and nursing charges and domiciliary charges for self and for family.
 - c. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company applicable to its senior managers.
 - d. Club Fees: Fees of clubs, subject to a maximum of three clubs.
 - e. Personal Accident Insurance / Group Like Insurance: Premium not to exceed Rs. 25,000 per annum.
 - f. Provident Fund / Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.
 - g. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.
 - h. Use of Car with driver: The Company shall provide the Whole Time Director a car with driver for business and personal use.
 - i. Telephone Facility at Residence: Telephone facility shall be provided at the Whole Time Director's residence. All personal long distance calls shall be billed by the Company to the Whole Time Director.

Other terms and conditions:

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Part II Section II Schedule V read with Section 196 and 197 of the Companies Act, 2013, subject to maximum remuneration to be paid, as might be decided by the Board of Directors.

- b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Parag Dalal & Mr. Dharmesh S. Anjaria, remuneration, perquisites not exceeding the ceiling laid down under Part II Section II of Schedule V read with Section 196 and 197 of the Companies Act, 2013, as might be decided by the Board of Directors.
- c. "Family" means the spouse and dependent children of the Whole Time Director.
- d. Leave with full pay and allowances shall be allowed as per the Company's rules.
- e. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- f. No sitting fees shall be paid to the Whole Time Director for attending the meetings of the Board of Directors or Committees thereof.
- g. The Whole Time Director shall not be liable to retire by rotation.

The Company has entered into separate agreement with Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria, which contains inter alia, the above terms and conditions.

Mr. Parag J. Dalal, Mr. Dharmesh S. Anjaria and Mr. Shirish M. Anjaria are concerned and interested in this resolution, as it relates to their / relatives re-appointment and payment of remuneration.

No other director is directly or indirectly concerned or interested.

The information below is in relation to the proposal contained in item No.4 & 5 of the Notice relating to re-appointment of Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria as Whole-Time Directors of the Company.

I. General Information

(1) Nature of Industry:

The Company is in the business of Information Technology Solutions & Services.

(2) Date or expected date of commencement of commercial production:

The Company has been in business for the past 24 years.

(3) In case of new companies, expected date of commencement of activities:

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018	31.03.2017
Sales(Gross)	30371.88	21069.54	15829.02
Profit before Tax	631.12	283.78	164.36
Profit after Tax	418.61	189.07	123.86
Shareholders fund	3073.40	2314.22	2042.46
Rate of dividend on equity shares(%)	-	-	-

II. Information about the appointee:

(i) Background details:

Mr. Parag J. Dalal is an Intel Certified Solutions Consultant and Post Graduate in Computer Applications. He has wide experience over 23 years in Information Technology Services and Solutions and IT Industry.

Mr. Dharmesh S. Anjaria, by qualification is a B.Com. A.C.A., AICWA and is a Intel Certified Integration Specialist. He has a vast experience in the field of System Integration, Finance, Taxation and Corporate Affairs for over 15 years.

(ii) Past Remuneration:

Remuneration for the Financial Year 2017-18

Mr. Parag Dalal: Rs. 18,00,000/-

Mr. Dharmesh S. Anjaria: Rs. 18,00,000/-

(iii) Recognition or awards/ Job profile and his suitability:

Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria have managed the affairs of the Company ably since inception. In the opinion of the Board, they are eminently suited for the position they holds.

(iv) Remuneration proposed:

The remuneration of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria is set out in point no.1.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. The remuneration of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria is in tune with the remuneration in similar sized companies in similar segment of business.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.

Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria are the promoters of the Company. They have equity holdings in the Company. Mr. Parag J. Dalal is not related to any other managerial personnel and Mr. Dharmesh S. Anjaria has no other pecuniary relationship directly or indirectly with the Company or any of its directors other than Mr. Shirish M. Anjaria, Chairman cum Managing Director of the Company.

(III) Other Information

Reasons of inadequate profits: On account of current economic condition and intense competition in the IT industry, there is a continued pressure on margins & profitability.

Steps taken or proposed to be taken for improvements:

The Company has undertaken several initiatives to identify new growth areas and simultaneously restructure existing growth engines. The Company has taken various steps to improve efficiency and reduce costs including right sizing of manpower. The marketing and sales functions have been revamped and the current order book reflects the results of the improved efforts put in by the Company.

The agreement also sets out the duties and various obligations of Mr. Dharmesh S. Anjaria and Mr. Parag J. Dalal.

The re-appointment of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria, by way of a special resolution, as Whole time Directors and minimum remuneration payable to them are required to be approved by the Members at this Annual General meeting.

Expected increase in productivity and profits in measurable terms:

The focus on customer-centricity, deep domain expertise, agility in building new capabilities, and constant innovation and execution excellence have resulted in enduring customer relationships. The Company is taking several initiatives to improve market share and financial performance. We expect the growth in business and profitability to rise by 15-20% annually.

In the terms of provisions of the Companies Act, 2013 consent of shareholders is required for the appointment of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria as the Whole Time Directors of the Company. The Board recommends the resolution for the approval of the members as a Special resolution. The copy of the Board resolution and the letters issued to Mr. Parag Dalal and Mr. Dharmesh S. Anjaria, Whole Time Director will be available for inspection between 11.00 A.M. to 1.00 P.M. on all working days (Monday to Friday) at the corporate office of the Company.

None of the Director's of the company except Mr. Parag Dalal, Mr. Dharmesh S. Anjaria and Mr. Shirish M. Anjaria is concerned or interested in the proposed resolution. Mr. Shirish M. Anjaria and Mr. Dharmesh S. Anjaria, are concerned and interested in this resolution, as it relates to his relative's reappointment and payment of remuneration. No other director is directly or indirectly concerned or interested.

The Board recommends the resolution at item No. 4 & 5 for approval by member.

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	Mr. Dharmesh Anjaria	Mr. Parag Dalal
Director Identification Number (DIN)	00444104	00445009	00409894
Date of Birth	30/09/1944	05/01/1973	23/05/1968
Date of First Appointment on the Board	26/09/1995	30/09/1998	26/09/1995
Experience in functional Area	Shirish M. Anjaria is a business leader with successful & fruitful career of over five decades. He has wide experience across industries and has rich exposure in Business Management, Corporate Affairs and customer relations. Under his Chairmanship, Dynacons has forged strategic alliances with global IT majors such as IBM, Intel, HP, Microsoft, Lenovo, Sony, Cisco etc. He was also the founder of the Millenium PC initiative which was recognised by Intel, USA.	Mr. Dharmesh Anjaria has more than 15 years of work experience, is responsible for the Managed Services business of the Company and also handles Finance, Taxation and Corporate Affairs. He has rich exposure in the various facets of business and has a strong record of success in creating robust IT architectures and infrastructures and a proven ability to bring the benefits of IT to solve business issues while managing costs and risks	Mr. Parag J. Dalal has over 23 years of work experience, in the field of Business, Information Technology, Software Development and Services. His areas of focus include Business Strategy, Business Development, Business Continuity Management and emerging technologies like Cloud Computing. He is responsible for the growth of Dynacons on Pan India level across different industries segments including Shipping, Education, Government, Banking and Financial Services. He is also responsible for taking new initiatives such as Transformation through IT and bringing in operational efficiency through the usage of ICT.
Qualification	Graduate in Science and holds a post graduate degree in Law. He is a Certified Associate of the Federation of Insurance Institutes.	B.Com, ACA, AICWA, Intel Certified Solutions Consultant.	Post graduate in Computer Applications and is an Intel Certified Solutions Consultant.

Directorship in other Companies(Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2018-19	Please refer Corporate Governance Report section of the Annual Report 2018-19	Please refer Corporate Governance Report section of the Annual Report 2018-19
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. 2018-19			
Remuneration Proposed	Upto Rs. 7,50,000/- per month	Upto Rs. 6,00,000/- per month	Upto Rs. 6,00,000/- per month
Remuneration Paid	Rs. 1,75,000 /- per month	Rs. 1,50,000 /- per month	Rs. 1,50,000 /- per month
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	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.	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.
Terms and conditions of re-appointment alongwith details of remuneration sought to be paid	The re-appointment is for a term of 3(three) years commencing from February 01, 2019. Details of remuneration sought to be paid is provided in Explanatory Statement for Item No. 3 annexed to the notice.	The re-appointment is for a term of 3(three) years commencing from February 01, 2019. Details of remuneration sought to be paid is provided in Explanatory Statement for Item No. 4 & 5 annexed to the notice.	The re-appointment is for a term of 3 (three) years commencing from February 01, 2019. Details of remuneration sought to be paid is provided in Explanatory Statement for Item No. 4 & 5 annexed to the notice.

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

Place : Mumbai
Date : August 31, 2019

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

Directors Report

Your Directors are pleased to present the **Twenty fourth** Annual Report on the business and operations of the Company for the year ended March 31, 2019

1. Financial Highlights

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018
Gross Income	30,489.77	21,152.84	31,190.82	21,460.50
Profit Before Interest and Depreciation	1,218.80	713.94	1,326.68	735.57
Finance Charges	515.49	354.06	515.49	354.06
Gross Profit	703.30	359.88	811.19	381.51
Provision for Depreciation	72.18	76.10	72.18	76.10
Net Profit Before Tax	631.12	283.78	739.00	305.41
Provision for Tax	212.51	94.70	221.93	95.84
Net Profit After Tax	418.61	189.07	517.07	209.56
Balance of Profit brought forward	1,217.01	1027.93	1,233.84	1024.27
Balance available for appropriation	1,365.61	1,217.01	1,750.91	1,233.84

2. Management Analysis and Discussions

Company performance:

We've had an exceptional year, thanks to our clients and our employees. As we look back at fiscal 2019, this strategic direction has yielded strong results. Our clients have increased their trust in us. Our Standalone revenues of Rs. 30,489.77 Lakhs as compared with Rs. 21,152.84 Lakhs during the previous year, reflected a growth of 44% over the previous year. The profit before tax stood at Rs. 631.12 Lakhs as compared to Rs. 283.78 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 212.51 Lakhs and the profit after tax stood at Rs. 418.61 Lakhs for the current year, an increase of 121.40% over the previous year.

On a consolidated basis, the revenue from operations for FY19 at Rs. 31,190.82 Lakhs was higher by 45% over the previous year (Rs. 21460.50 Lakhs in FY18). The profit before tax stood at Rs. 739.00 Lakhs as compared to Rs. 305.41 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 221.93 Lakhs and the profit after tax stood at Rs. 517.07 Lakhs for the current year, an increase of 146.74% over the previous year. 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.

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.

Dynacons has historically grown much faster than the market. 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. Industry after industry are realizing the power of digital technologies and their businesses are increasingly embedded in technology.

Industry Overview

Today, enterprises are advancing on their digital transformation journey to adapt to rapidly changing markets, business needs and consumer preferences. As businesses look to new areas and new economics, new and intelligent systems are required to be built with next-generation technologies and with exponentially superior cost-benefit performance. The complexity of legacy landscapes, exploding data, evolving business models in the large enterprise and the resultant need for quick-paced, frequent changes make it hard for current systems and humans alone to wrestle with the transformation. The fast pace of technology change and the need for technology professionals who are highly skilled in both traditional and digital technology areas are driving businesses to rely on third parties to realize their business transformation.

Technology is transforming businesses around the world in a profound and fundamental way. The continued reduction in the unit cost of IT infrastructure, 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, enabling disruptive market offerings and automating core processes. Traditional business models are being disrupted with digital and software-based business models. Incumbent companies, to win amid this disruption, need to reinvent their business from the core to activate strong efficiency and productivity levers, reimagine the end consumer experience and create impact at scale. In FY 2019, the global market for services is estimated to have grown to \$1.4 trillion. IT Services is estimated to have grown by 3.2% YoY, driven by strong growth in IT engagements, particularly cloud adoption.

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 and reacting to events on the ground. 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.

Review of operations:

Dynacons has built a strong customer base, variety of talent and a competent service delivery infrastructure. The Company 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. We have a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under system integration and managed service offerings targeting multiple stakeholders. 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. These solutions are delivered using the latest technologies.

While traditional systems integration services remain critical with the shifting applications landscape, clients are now seeking partners that can also help them take advantage of emerging technologies and simplify their IT operations, while simultaneously reducing costs and investing in business growth. Using end-to-end IT capabilities – from systems integration to managed services – we deliver value-driven solutions designed to help organizations maximize their return on investment, enhance business productivity, and reduce the total cost of technology ownership. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure. Our deep domain expertise in the industries we serve is central to our ability to understand our customers' challenges and design effective solutions to address them. We hire professionals with in-depth industry experience and continually invest in industry training for our staff and build out industry-specific services and solutions. This approach is key to our high levels of on-time delivery and customer satisfaction.

We expanded our approach to engaging with clients via a larger team of client-facing individuals and a stronger team that drives strategic partnerships. This resulted in a significant increase in our ability to engage with clients. We have strengthened our access to clients by doubling down and hiring new sales talent. We have also uplifted our seasoned sales force to keep them relevant in the context of large established relationships that constantly demand more. We have created specific programs to go after theme-based, industry-specific, proactive large deals. With fresh new ideas, refreshed sales processes, data-driven sales intelligence, and socially enabled go-to-market strategies, our sales teams are now ready to take to new,

expanding sales frontiers. The core business portfolio has performed very well with all key segments posting steady growth led by Banking & Financial Services and global customers. Hence, the attempt to increase market share fructified into concrete results. Dynacons' customer-centricity, deep domain expertise, agility in building new capabilities, and focus on constant innovation and execution excellence have resulted in enduring customer relationships.

We have organized our sales and marketing departments into teams that focus on specific geographies and industries, enabling us to customize our service offerings to our clients' needs better. The domain knowledge, customer-specific contextual knowledge and executive relationships that each business unit built up over the last decade have been critical to our success. Dynacons partners with all the major technology providers to launch and jointly market industry-specific solutions that leverage our domain knowledge and their technology.

Our primary focus is to provide a comprehensive portfolio of services and products, as part of our strategy to help customers maximize innovation, drive business efficiency and performance, and achieve success in the technology world. Clients are looking beyond custom services designed as a reactive strategy to business problems, and seeking proactive solutions that can build on readily available platforms with best practices and custom expertise. Your Company uses its delivery capability and full services portfolio to deliver high quality, high impact solutions leveraging the latest technologies to customers across multiple regions and industry verticals. We help organizations realize the true benefits of their technology investments by aligning IT service offerings with business goals and strategies.

Customer-centricity is at the core of Dynacons' strategy. The philosophy has been to expand and deepen customer engagements by continually looking for new areas in the customer's business where we can add value, proactively invest in building newer capabilities, and launch new offerings to participate in those opportunities. This strategy has resulted in a continual expansion of customer relationships in terms of the services consumed, revenue and share of wallet. The willingness to invest in the relationship, the commitment to deliver impactful outcomes and the track record of execution excellence have resulted in high satisfaction levels and long, enduring customer relationships.

We are focusing on building our connect in the US, Europe, and Asia Pacific, thereby gaining increased direct engagement with our clients in these geographies. Our strategic partnerships with many Global Large System Integrators are the steps to build a foundation for expanding future relationships. This has led to increased business from Global customers in India.

Enterprises must make their Data Centers digital ready with software-defined infrastructure and hybrid cloud powered by intelligent automation & catalog-based consumption model with the ability to scale up and down. We help in making the Data centers ready for Digital Transformation and supports the entire life cycle from DC transformation to modern data centers by enabling latest technology & solutions like Software Defined Infrastructure, Hybrid Cloud architecture and Hyper Converged Infrastructure. The major services we provide include data center, infrastructure security, network and convergence, end-user computing services and mobility.

The Company also has cloud services offerings that utilize virtualization technologies across delivery solutions for private cloud, enterprise multi-tenant cloud and public cloud models. We provide services that harness and modernize legacy systems to be digital-ready with agility and speed without sacrificing the knowledge those systems contain.

Moving ahead with Software-defined Networks (SDN) and Network Function Virtualization (NFV), the Company is now working on the Software Defined Wide Area Network (SD WAN) technology to build solutions for its customers. SD-WAN simplifies the management and operation of a WAN by decoupling (separating) the networking hardware from its control mechanism. This concept is similar to how software-defined networking implements virtualization technology to improve data center management and operation. 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 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. These services emphasize personalization, collaboration and mobility for a heterogeneous and data-driven employee experience that keeps employees satisfied, connected, and engaged globally. The Company has won several contracts with large BFSI and Global enterprises for their workplaces services.

During the year the Company has won the prestigious contract worth Rs. 58 Crore of Hospital Management Information System (HMIS) from the Municipal Corporation of Greater Mumbai (MCGM). The objective of this project is to implement HMIS at MCGM's network which comprises of 3 Major Hospitals, 1 Dental Hospital, 18 Peripheral Hospitals, 5 Specialty Hospitals, 28 Maternity Homes, 161 Dispensaries and 183 Health Posts. The total capacity is approximately 13000 beds which amount to 28% of the total bed capacity in Mumbai. Approximately 54000 outpatients are treated every day at MCGM health facilities. Under this initiative citizens (patients) record will be maintained with unique id & available across the Network Hospitals. The HMIS-infra contract covers the setup of the IT Infrastructure, Network, Connectivity, Enterprise Management System, PACS software, Radiology systems and software. It also includes services and support for a period of 5 years.

The Company's focus on Storage solutions has yielded good results. The most notable win is the order for an Enterprise Storage Solution worth INR 10 Crores from National Payments Corporation of India. The Contract is for a period of 5 years. The solution will enhance the IT infrastructure for NPCI with a Fast, flexible system that will meet the demands of business growth at their two data centers separately located in India at Chennai & Hyderabad. The solution is an enterprise class storage for the most demanding workloads, with sub-millisecond latencies, and scalability. The architecture hardware acceleration, including inline deduplication, compression, data packing, thin technologies and other compaction technologies that can reduce acquisition and operational costs.

Enterprises are looking at their Infrastructure Management Service (IMS) providers to create their digital foundation that would accelerate digital transformation and be the core of digital operations for years. This demands a flexible architecture of hybrid cloud led deployments and AI / ML for IT Operations. On the end user computing side, IMS providers need to be creative and adaptive to support digital workplace that goes beyond managing devices to users to experience.

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. 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, Breakfix Services, Managed Print Services, Cloud Computing, Systems Integration Services and Applications Development and Maintenance. The Company provides end-to-end technology and technology related services to corporations across industry verticals.

Customers are increasingly utilizing IT infrastructure services to sharpen their focus on core business operations, reallocate overhead costs to growth investments, enable businesses to respond more quickly to changing demands, decrease time to market, ensure that the IT infrastructure can scale as the business evolves and access skill sets outside the organization. Your Company has continued to showcase its leadership in terms of service capabilities and scale of operations over a wide spectrum of industries. Several initiatives have been taken to build a strong and sustainable delivery organisation, through automation, remote service management, process improvements, manpower optimization, and infrastructure optimizations. We have an established nationwide support network to provide multi location multi-platform support for organisations. Our reach has expanded to over 250 cities and towns across India. Our ability to align our teams to the customers' business goals, together with our extensive domain and technology expertise, has helped us to remain relevant to our customers.

It is now very evident that we live in an era of continuous and rapid disruption. What is truly incredible is the lightning speed at which technology and markets are moving today, dismantling established business models and giving birth to entire new industries. They are digitizing their core, increasing operational capability, reimagining customer engagement, and augmenting process execution with new digital technologies as

before the word adoption and take it as continuation from the above paragraph

Adoption of digital technologies such as cloud, mobile, IoT, analytics, machine learning, AI and automation has reached the inflexion point and is triggering large re-architecture programs. Enterprises are reimagining multiple aspects of their business model, investing in technology-led product or service innovation, customer analytics and insights, and core transformation programs. This has led to increased opportunities as enterprises are scaling up their technology spend on this account.

Technological innovations are reshaping the world we live in. Exponential advances across technologies like cloud computing, artificial intelligence (AI), machine learning, robotics, IoT, augmented and virtual reality would continue to transform every aspect of human life. We strongly believe enterprises will continue to invest in these technologies to transform every aspect of their businesses.

Our work across industries, value chains, and geographies, gives us keen insights into the pattern of changes impacting the fundamental wiring across a diverse set of businesses, and we believe with this understanding, we can help our clients pick up the right signals and work out what's next. Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees and generating profitable growth for our investors. The objective is to boost the top line, embrace new technology-enabled business models, create new revenue streams, address new customer segments or deepen existing customer relationships.

Awards, Certifications and Recognitions

In Fiscal 2019 we won multiple awards and recognitions.

The Company has won the Hyperconverged Infrastructure Award presented by Nutanix India. Hyper-converged infrastructure (HCI) is a software-defined IT infrastructure that virtualizes all of the elements of conventional "hardware-defined" systems. Hyper-convergence is a software-centric architecture that tightly integrates compute, storage and virtualization resources in a single system. Hyperconverged Infrastructure (HCI) simplifies Datacenter Operations. The award is a testimony to the technology expertise demonstrated by our team. Your Company also won the Enterprise Business award from HPE Aruba. The award was presented by the HPE team at a function in Goa. The award was presented for the excellence demonstrated in Enterprise solutions.

During the year the Company was successfully appraised at Capability Maturity Model Integration (CMMI)-SVC V1.3 Maturity Level 3. CMMI is a process improvement and assessment framework which comprises of a collection of best practices designed to promote improved performance in any organization and is considered a global standard for efficiency. A successful CMMI ML3 appraisal means that the organization is performing at a defined level where processes are well characterized and understood. This appraisal facilitates continued customer satisfaction, delivery of quality services and use of best practices.

This assessment is a testimony to our commitment to exceed our customers' expectations by continuously delivering the highest quality services and solutions and improving our processes whenever possible. This assessment benefits Dynacons with mature and standardized processes, higher predictability and consistency, better turn-around times and increased profitability. It also is a testament to the quality of our people and processes that ensure the highest levels of quality and repeatability. This puts Dynacons in elite club of few Companies having the CMMI certification.

Strengths

Over the years, we have invested in building differentiated capabilities such as Specific industry domain and technology expertise, and end-to-end service offering capabilities in systems integration, and infrastructure management. Our 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. Our rich portfolio of service offerings span across the infrastructure lifecycle of Plan-Build-Run-Monitor and includes infra consulting, data center, end user computing, enterprise networking, enterprise security, IT infrastructure operation management and transformation services.

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. Your Company has developed and refined its Service Delivery Model to ensure a consistent and controlled service process.

Dynacons is continually investing in improving our customer-centric execution capabilities by focusing on delivery excellence, deepening domain expertise, and offering a full services capability, delivered through an agile, distributed delivery model. The philosophy has been to expand and deepen customer engagements by continually looking for new areas in the customer's operational value chain where Company can add value, and to proactively invest in building newer capabilities to participate in those opportunities. Over time, every customer engagement results in the build-up of deep contextual knowledge of the customer's business which is leveraged to build innovative, transformative solutions.

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 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 business continuity management. In FY 2019, the Company was successfully appraised at Capability Maturity Model Integration (CMMI)-SVC V1.3 Maturity Level 3. We continue to strive and maintain sustainable growth through the philosophy of business excellence. 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 continues to strive towards process improvement for ensuring high quality delivery and high levels of customer satisfaction. Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market. Your Company has an enduring focus on operational and delivery excellence and towards sustainable growth on the path of business Excellence. Sustained commitment to highest levels of quality, best-in-class service management, robust information security practices and mature business continuity processes helped the Company attain significant milestones during the year.

Outlook

Enterprises are increasingly embracing business models that are defined by technology, structurally driving up technology intensity across industries. This, as well as the greater leverage of technology for competitive differentiation, significantly increases the market opportunity for us. We are building business model resilience with increased client relevance, a recipe that will help us shape the times to come. We have laid a solid foundation for a growing business that has increased client relevance and a strong operating discipline. We also have a greater sense of stability and an aligned and driven management team eager to serve our clients in a world where technology is becoming more and more critical.

We are participating very well in this expanding opportunity, getting embedded deeper in our customers' business ecosystems, and becoming an industry staple. This is resulting in better visibility, predictability, and business sustainability, all of which create ever more value for our stakeholders in the longer term. 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. The opportunities ahead are huge. 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:

Since every business is becoming software defined and technology led business models are emerging in every vertical, the technology investment is more than ever business outcome aligned and would be sustained through economic cycles. Government and the BFSI sectors are expected to be huge buyers and these are the focus sectors for your Company also. The Government initiative on Smart Cities has led to the creation of many opportunities for your company to participate in. 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. Your Company is also working on Robotic process automation in the services that it offers. This will create a lot of value for customers and drive revenues.

Threats:

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

Risks and Concerns

The competition from large international and Indian IT companies is increasing in the domestic market space. The 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. We operate 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

Your Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments. There is an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new/revised standards operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Company'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. 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 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.

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.

3. Dividend

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2019.

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 Provisions of Sec.125 (2) of the Companies Act, 2013, do not apply as there was no dividend declared and paid last year.

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

The Company had offered, issued 27,95,000 warrants convertible into Equity shares of Rs. 20 each including a premium of Rs. 10 each to promoters/promoter group and others on a preferential basis on 31st March, 2017, of which 22,65,000 warrants were converted into equity shares on 29.09.2018 and trading approval for the same was received from National Stock Exchange of India Limited and BSE Limited on 28th March, 2019.

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

- There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future. However, the Company had 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.

- There was no change in the nature of business of the Company.

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

The Company has a subsidiary Dynacons Systems & Solutions Pte. Ltd. as on March 31, 2019. 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. Parag Dalal, Whole Time Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the resolutions for your approval for the above appointment.

The Board of Directors re-appointed Mr. Shirish Anjaria, as Chairman cum Managing Director, Mr. Parag Dalal, as Whole-time director and Mr. Dharmesh Anjaria, as Whole-time director and Chief financial Officer for a further period of Three years with effect from February 01, 2019, subject to approval of members at the ensuing 24th AGM.

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 24th 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, 2019 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

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

We continue to work hard to make work simple, and remove undue process overhead in favor of trust, employee autonomy, and a focus on collaboration. This in addition to positively impacting productivity, is facilitating improved employee experience, by enabling individuals to do purposeful work, supported by systems that let them outsource more of the routine to technology. We are also empowering teams to make data-led decisions, act on these decisions effectively, leveraging user-friendly processes. The aim is to create an agile and energetic workplace.

We strive to enhance the employee experience and equip our workforce with tools and platforms to help accelerate their professional growth in the organization. Ours is a Company that has always attracted passionate individuals who want to contribute, and are willing and ready to work together. We want to improve our workplace quality for them, so their collective motivation can make us more effective through these times of accelerating change. We are making conscious efforts to create an environment which is more amenable and friendly to our employees. We are committed to create a culture that considers their special needs and an environment that allows them to grow and thrive as professionals and while not hampering their work life balance.

The focus is to create the workplace of tomorrow that promotes a collaborative, transparent and participative organization culture, encourages innovation, and rewards individual contribution. The focus of human resources management at Dynacons is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves.

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. 2018-19. 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. 2018-19 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 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.

Board's Response – The Board informed that 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.

22. Share Capital

The paid up Equity Share Capital of the Company as on 31st March, 2018 was Rs. 6,90,80,800 divided into

69,08,080 Equity shares of Rs. 10 each which has increased to Rs. 9,17,30,800 divided into 91,73,080 Equity shares of Rs. 10 each as on 31st March, 2019 since the Company had converted 22,65,000 Warrants convertible into Equity shares of Rs. 20 each including a premium of Rs. 10 each on 29th September, 2018.

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.
- d. Warrants convertible into Equity shares: The Company had issued 27,95,000 warrants convertible into equity shares on 31.03.2017 of which 22,65,000 warrants were converted into Equity shares on 29th September, 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March, 2019.

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 Ratings has assigned Acuite BBB- rating to your Company for working capital facilities for a total amount of Rs. 35.00 Crores. Acuite has also assigned Acuite BBB-; Stable/A3 rating for the Long-term/short term bank facilities of the Company up to Rs. 20 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, 2019 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.1451.03 Lakhs (previous year 661.96 Lakhs)

Foreign Exchange Outgo : Rs. 1923.52 Lakhs (previous year 59.41 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, Twelve 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 is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

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 the web <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

Place: Mumbai

Date : August 31, 2019

Annexure I**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2019****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-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2248509	530000	2778509	40.22	2778509	970000	3748509	40.86	0.65
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	0	71475	1.03	71475	415000	486475	5.30	4.27
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)	2319984	530000	2849984	41.25	2849984	1385000	4234984	46.17	4.92
(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)	2319984	530000	2849984	41.25	2849984	1385000	4234984	46.17	4.92
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-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Foreign portfolio Investors	0	0	0	0	17217	0	17217	0.19	0.19
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	280	0	280	0	17497	0	17497	0.19	0.19
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	244165	0	244165	3.53	168714	0	168714	1.84	(1.69)
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	2952022	41705	2993727	43.34	2925469	40660	2966129	32.34	(11.00)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	611673	0	611673	8.85	693934	880000	1573934	17.16	8.31
c) Others (specify)	208251	0	208251	3.01	211822	0	211822	2.31	0.79
Non Resident Indians	181884	0	181884	2.63	203495	0	203495	2.22	0.41
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	26367	0	26367	0.38	8327	0	8327	0.09	(0.29)
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	4016111	41705	4057816	58.75	3999939	920660	4920599	53.64	(5.10)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4016391	41705	4058096	58.75	4017436	920660	4938096	53.83	(4.91)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6336375	571705	6908080	100.00	6867420	2305660	9173080	100.00	0

B) Shareholding of Promoter (including Promoter Group):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% 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	620948	8.99	0	840948	9.17	0	0.18
2	DHARMESH S. ANJARIA	636220	9.21	0	636220	6.94	0	(2.27)
3	PARAG J. DALAL	627200	9.08	0	627200	6.84	0	(2.24)
4	NILAM S. ANJARIA	364602	5.28	0	364602	3.97	0	(1.31)
5	JIGNA D. ANJARIA	211463	3.06	0	211463	2.31	0	(0.75)
6	DEVANGI PARAG DALAL	189640	2.75	0	189640	2.07	0	(0.68)
7	HASUMATI DALAL	64816	0.94	0	64816	0.71	0	(0.23)
8	SHIRISH M. ANJARIA (H.U.F)	3543	0.05	0	253543	2.76	0	2.71
9	TRIGEM INFOSOLUTIONS LIMITED	71475	1.03	0	486475	5.30	0	4.27
10	PARAG J. DALAL (H.U.F)	60077	0.87	0	310077	3.38	0	2.51
11	DHARMESH S. ANJARIA (H.U.F.)	0	0	0	250000	2.73	0	2.73
	Total	2778509	41.26	0	4234984	46.17	0	4.92

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	620948	8.99	620948	8.99
		Increase/Decrease	220000	0.18	220000	0.18
		At the end of the year	840948	9.17	840948	9.17
2	DHARMESH S. ANJARIA	At the beginning of the year	636220	9.21	636220	9.21
		Increase/Decrease	0	(2.27)	0	(2.27)
		At the end of the year	636220	6.94	636220	6.94
3	PARAG J. DALAL	At the beginning of the year	627200	9.08	627200	9.08
		Increase/Decrease	0	(2.24)	0	(2.24)
		At the end of the year	627200	6.84	627200	6.84
4	NILAM SHIRISH ANJARIA	At the beginning of the year	364602	5.28	364602	5.28
		Increase/Decrease	0	(1.31)	0	(1.31)
		At the end of the year	364602	3.97	364602	3.97
5	JIGNA D ANJARIA	At the beginning of the year	211463	3.06	211463	3.06
		Increase/Decrease	0	(0.75)	0	(0.75)
		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	2.75	189640	2.75
		Increase/Decrease	0	(0.68)	0	(0.68)
		At the end of the year	189640	2.07	189640	2.07
7	HASUMATI DALAL	At the beginning of the year	64816	0.94	64816	0.94
		Increase/Decrease	0	(0.23)	0	(0.23)
		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	3543	0.05	3543	0.05
		Increase/Decrease	250000	2.71	250000	2.71
		At the end of the year	253543	2.76	253543	2.76
9	TRIGEM INFOSOLUTIONS LIMITED	At the beginning of the year	71475	1.03	71475	1.03
		Increase/Decrease	415000	4.27	415000	4.27
		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	60077	0.87	60077	0.87
		Increase/Decrease	250000	2.51	250000	2.51
		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	0	-	0	-
		Increase/Decrease	250000	2.73	250000	2.73
		At the end of the year	250000	2.73	250000	2.73

*Note- The Company had issued 27,95,000 warrants convertible into equity on 31.03.2017 of which 22,65,000 warrants were converted into Equity shares on 29th September 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March, 2019

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	Bhavinkumar Ramanlal Panchal	35500	0.51	40500	0.32	76000	0.83
2	Shashi Bhala	48228	0.70	15118	(0.01)	63346	0.69
3	Jagannath D Devadiga	62807	0.91	-	(0.23)	62807	0.68
4	Vishal Girishchandra Chapper	49349	0.71	-	(0.17)	49349	0.54
5	Mastermind Financial Services Pvt. Ltd.	40000	0.58	-	(0.14)	40000	0.44
6	Shivani Miglani	38839	0.56	-	(0.14)	38839	0.42
7	Kishore Pratapsinh Kajaria	38714	0.56	-	(0.14)	38714	0.42
8	Rajshree Kishore Kajaria	37067	0.54	-	(0.14)	37067	0.40
9	Ajith P Mathew	36157	0.52	-	(0.13)	36157	0.39
10	Shyamsunder Gupta	-	-	33236	0.36	33236	0.36
11	Vivekanand Gangaramani	31500	0.46	(31500)	-	-	-

*Note: The above details are given as on 31st March, 2019. The Company is listed and 74.87% 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 01.04.2018		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	Mr. Shirish Anjaria (Chairman cum Managing Director)	620948	8.99	220000	0.18	840948	9.17
2	Mr. Dharmesh Anjaria (Whole-time director)	636220	9.21	-	(2.27)	636220	6.94
3	Mr. Parag Dalal (Whole-time director)	627200	9.08	-	(2.24)	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	3547.13	0	0	3547.13
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3547.13	0	0	3547.13
Change in Indebtedness during the financial year				
* Addition	33.83	0	0	33.83
* Reduction	37.95	0	0	37.95
Net Change	(4.12)	0	0	(4.12)
Indebtedness at the end of the financial year				
i) Principal Amount	3543.01	0	0	3543.01
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3543.01	0	0	3543.01

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	21,00,000	18,00,000	18,00,000	57,00,000
	(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)	21,00,000	18,00,000	18,00,000	57,00,000
	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 2018-2019 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 2018-2019, 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. 2018-2019. 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	112,800	0	112,800
	(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	112,800	0	112,800

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]

SECRETARIAL AUDIT 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, 2019 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, 2019 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;
- (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, 2009;
 - (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, 1998 - 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;
- (vi) 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:

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.

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 (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), and paid settlement amount for show cause notice issued by SEBI dated 15th March, 2017, in the matter of Dynacons

Technologies Limited, 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.

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

Place: Mumbai
Date : August 31, 2019

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

Place: Mumbai
Date : August 31, 2019

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, 2019, 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, 2019.

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	15.61
Parag Dalal	13.38
Dharmesh Anjaria	13.38

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

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

- (c) **The percentage increase in the median remuneration of employees in the financial year: 26.39%**

Note: Percentage in bracket represents negative percentage.

- (d) **The number of permanent employees on the rolls of company: 1413**

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

On an average, employees received an increase of 17%. 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 2018-19 (aggregated)	57.00
Revenue from operations	30,371.88
Remuneration (as % of revenue)	0.91%
Profit before tax (PBT)	631.12
Remuneration (as % of PBT)	9.03%

- (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, 2019	31 st March, 2018	
Closing rate of share at BSE	₹	27.5	35.06	21.56
Closing rate of share at NSE	₹	27.6	35.95	23.22
EPS (consolidated)	₹	6.42	3.22	99.37
Market capitalization	₹/Lakhs			
BSE		2522	2422	04.12
NSE		2531	2483	01.93
Price Earnings Ratio	Ratio			
BSE		4.28	10.88	60.66
NSE		4.29	11.16	61.55

- (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 2017-18 was 17%. Percentage increase in the managerial remuneration for the year was NIL.

- (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	21.00	18.00	1.13
Revenue from operations	30,371.88	30,371.88	30,371.88
Remuneration (as % of revenue)	0.06	0.05	0.00
Profit before Tax (PBT)	631.12	631.12	631.12
Remuneration (as % of PBT)	6	5	0.18

- (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 sta . 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's 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

Place: Mumbai
Date : August 31, 2019

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	167334
6.	Total assets	436781
7.	Total Liabilities	261769
8.	Investments	0
9.	Turnover	1010145
10.	Profit before taxation	155114
11.	Provision for taxation	13539
12.	Profit after taxation	141575
13.	Proposed Dividend	0
14.	% of shareholding of holding company	100%

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum
Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.: 00409894

Place: Mumbai
Date : August 31, 2019

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The 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.

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 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.

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 (k) 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, 2019, 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. 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

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, **Twelve** Board Meetings were held on May 29, 2018, May 30, 2018*, July 13, 2018, August 14, 2018, August 30, 2018, September 21, 2018, September 29, 2018, November 02, 2018, November 14, 2018, November 27, 2018, January 31, 2019, February 14, 2019, March 20, 2019

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

Note:*Board Meeting held on 29.05.2018 was adjourned to 30.05.2018 to transact the unfinished business.

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 as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than these, none of the Directors are related.

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

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

Name of Director	Category of Directorship	Attendance at last AGM	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	12	0	0	0	Nil
Mr. Parag J. Dalal Din.:00409894	Executive & Whole-time Director	Yes	11	0	0	0	Nil
Mr. Dharmesh S. Anjaria Din.:00445009	Executive & Whole-time Director	Yes	12	0	0	0	Nil
Mr. Dilip P. Palicha Din.:02879480	Non- Executive & Independent Director	No	7	0	2	1	Nil
Mr. Viren C. Shah Din.:02886221	Non- Executive & Independent Director	No	9	1	4	1	Non-Executive Independent Director 1. Ducon Infratechnologies Limited
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	8	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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other directorships excludes 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 Agreement. During the year 2018-19, 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:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Global Business
- 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 **Twelve** times during the financial year 2018-2019 on May 29, 2018, July 13, 2018, August 14, 2018, August 30, 2018, September 21, 2018, September 29, 2018, November 02, 2018, November 14, 2018, November 27, 2018, January 31, 2019, February 14, 2019, March 20, 2019. 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	10
Mr. Viren Shah	Non-Executive & Independent Director	9
Mr. Dilip Palicha	Non-Executive & Independent Director	10

The terms of reference of the Audit Committee includes -

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, re-appointment and removal of statutory auditor, fixation of audit fees and also approval of payment of any other services.

- To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements.
- To review the functioning of the Whistle Blower Mechanism.
- Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following:
 - Matters required to be included in the Director's Responsibility Statement.
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management
 - Significant adjustment arising out of audit.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Qualification in draft audit report.
- Any related party transaction, i.e., transaction of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and reviewing the adequacy of internal audit function, including the structure of the internal audit department, standing 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.
- 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 and Mr. Jitesh Jain. The Committee is chaired by Mr. Viren Shah. The Nomination and Remuneration committee met once during the year. Company Secretary of the Company acted as the Secretary to the Committee.

The 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

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, 2019

Name of the Director	Salary
Mr. Shirish Anjaria, Chairman cum Managing Director	21,00,000
Mr. Parag Dalal, Whole time Director	18,00,000
Mr. Dharmesh Anjaria, Whole time Director	18,00,000

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 of the Act.

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	3
Mr. Dilip Palicha	Non-Executive & Independent Director	2
Mr. Jitesh Jain	Non-Executive & Independent Director	1
Mrs. Archana Phadke	Non-Executive & Independent Director	3

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, non-receipt of annual Report, attending to complaints of investors routed by SEBI/Stock Exchanges and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. Details of share transfer / transmission approved by the committee are placed at the Board meetings from time to time. Company Secretary of the Company acted as the Secretary to the Stakeholders Relationship Grievance Committee.

The Committee in particular looks into:

1. To oversee and review redressal of shareholder and investor grievances, on matters relating to transfer 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.

During the year under review, 2 complaints were received from shareholders/investors of which Nil complaints were unreplaced/unresolved as on 31.03.2019. The numbers of pending share transfers as on March 31, 2019 were Nil.

6. 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 Risk Management committee met once during the year.

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.

7. 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 19, 2019, 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.

8. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

Independent Directors are appointed as per policy of Dynacons Systems & Solutions Limited, with management expertise and wide range of experience. The Independent directors of the Company are eminent personalities having wide experience in the field of finance, industry, commerce and administration business, education.

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

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

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company and its subsidiary. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: <http://www.dynacons.com/familiarisation-programme.htm>

9. 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 2018-2019, 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 2018-2019 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

10. 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.

11. 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.

12. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed	Details of special resolution proposed to be conducted through postal ballot
2016	September 30, 2016	4.30 P.M.	Hotel Planet Residency, Subhash Road, Adjacent to Garware House, Vile Parle (East), Mumbai-400057	Number of Special Resolutions passed: 3 Details of Special Resolution are as follows: 1. Appointment of Mr. Shirish Anjaria (Din no.:00444104) as Chairman cum Managing Director 2. Appointment of Mr. Parag Dalal (Din no.: 00409894) as Whole-time Director. 3. 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
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

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed	Details of special resolution proposed to be conducted through postal ballot
2018	September 29, 2018	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

- 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.

13. 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

14. 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.

15. 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, 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.

16. 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, 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 confirms that the Company had converted 22,65,000 warrants into Equity shares on 29th September, 2018 and trading approval for the same was received from National Stock Exchange of India Limited and BSE Limited on 28th March, 2019.

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 behaviour. 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 a rmed 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. Parag Dalal is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

(ii) The Company does not 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 disclosure of commodity price risks and commodity hedging activities: Not applicable.

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 qualified institutions placement under Regulation 32(7A) of the Listing Regulations. However, the Company had allotted 27,95,000 Warrants convertible into Equity of Rs. 20 each including a premium of Rs. 10 each which were offered, issued and allotted to promoter, promoter group and others, of which 22,65,000 warrants were converted into Equity shares on 29th September, 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March, 2019. The funds raised through issuance of warrants convertible into equity shares have been utilized to meet the long term working capital requirements, general corporate purposes and other purpose in the ordinary course of business.

n) No equity shares were suspended from trading during the Financial Year 2018-19.

o) The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts. However, Company had converted 22,65,000 warrants into Equity shares on 29th September, 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March, 2019.

p) The certificate has been received from Shruti H. Shah, Practicing Company Secretary confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

q) In the financial year 2018-19 the board has accepted all recommendations of its Committees.

- r) The details of total fees for all services paid by the Company to the 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	7,20,000
2	Tax Audit Fees	-
3	Others	-
	Total	7,20,000

- 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.

17. 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.

18. 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.

19. 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.

20. 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.

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.

21. GENERAL SHAREHOLDER INFORMATION

21.1 Annual General Meeting:-

- Date and Time	September 30, 2019 at 02.30 P.M
- Venue	Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai - 400058.

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.

21.2 Financial Calendar: -

April'18 – March'19

21.3 Book Closure Date

As mentioned in the Notice of this AGM

21.4 Dividend Payment Date

N.A.

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

Name and address of stock exchange:	Code Nos.
The BSE Ltd., 25th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001	532365
National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	DSSL
(b) Listing of Global Depository Receipts	N. A.
(c) Demat ISIN numbers in NSDL & CDSL	INE417B01040
(d) Annual listing fees for the year 2018-2019 have been duly paid to all the above Stock Exchanges.	
(e) Corporate Identification Number(CIN)	L72200MH1995PLC093130

21.6 Stock Market Data

Month	Bombay Stock Exchange (BSE) (in ₹)			National Stock Exchange (NSE) (in ₹)		
	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 2018	47.85	36.35	71344	48.00	35.60	204310
May 2018	41.50	30.10	72729	42.55	30.10	255847
June 2018	39.80	30.80	97745	41.55	30.25	326595
July 2018	36.95	27.30	26036	35.35	28.70	97349
Aug 2018	44.85	31.50	207532	44.70	30.70	674927
Sep 2018	40.50	32.35	49476	40.50	32.10	167937
Oct 2018	36.00	30.10	50106	36.45	29.45	158091
Nov 2018	41.95	33.80	51468	42.00	33.05	186580
Dec 2018	40.95	32.65	25288	39.50	32.20	133784
Jan 2019	37.20	30.15	27288	36.80	30.30	106011
Feb 2019	34.00	26.05	26919	34.60	26.50	91880
Mar 2019	31.00	26.20	41492	31.55	25.70	130950

21.7 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 - 400 059
Tel : 022 – 62638200/206
Fax: 022 – 62638299

21.8 Share Transfer System

The Company's shares are traded on the Stock Exchanges compulsorily in Demat mode. Shares in physical mode which are lodged for transfer at Share Transfer Agent are processed and subject to exercise of option under compulsory transfer-cum-demat procedures. Share Certificates are either de-matted or returned within the time prescribed by the authorities. The Share related information is available on-line.

21.9 Distribution of Shareholding as on March 31, 2019

No. of Equity Shares	No. of Folios	% of Total	Total Holding in Rupees	% of Total
1-5000	10964	89.70	11731830	12.79
5001-10000	651	5.33	5130890	5.59
10001-20000	299	2.45	4484540	4.89
20001-30000	109	0.89	2763290	3.01
30001-40000	66	0.54	2371340	2.59
40001-50000	30	0.24	1377200	1.50
50001-100000	49	0.40	3445280	3.76
100001-999999999	55	0.45	60426430	65.87
Total	12223	100.00	91730800	100.00

Note: The Company had converted 22,65,000 warrants into Equity shares on 29th September, 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March,2019.

21.10 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

Note: The Company had converted 22,65,000 warrants into Equity shares on 29th September, 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March,2019.

21.11 Dematerialization of Shares as on March 31, 2019

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
91,73,080	23,05,660	25.13%	68,67,420	74.87%

21.12 Categories of Shareholders as on March 31, 2019

Category	No of Shares held	Percentage of Shareholding
Clearing Member	8327	0.09%
Corporate Bodies	168714	1.84%
Corporate Bodies (Promoter Company)	486475	5.30%
Non Resident Indians	203495	2.22%
Promoters/Directors	2917988	31.81%
Public	4540063	49.50%
Relative of Director	830521	9.05%
Nationalised Banks	280	0.00%
Foreign Portfolio Investor	17217	0.19%
Total	9173080	100%

Note: The Company had converted 22,65,000 warrants into Equity shares on 29th September, 2018 and trading approval for the same had been received from National Stock Exchange of India Limited and BSE Limited on 28th March,2019 .

21.13 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.

21.14 Outstanding GDRs/ADRs/Warrants : The Company had converted 22,65,000 outstanding warrants which were converted into equity shares on 29.09.2018, hence there are no outstanding warrants convertible into equity shares as on 31.03.2019

21.15 Company Secretary & Compliance Officer : **Mr. Ravishankar Singh**

21.16 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

21.17 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 hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) 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.
- e) 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: August 31,2019

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**The Board of Directors
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, 2019 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, 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, 2019.

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.
Chartered Accountants
(Firm Regn. No. : 107565W)

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Dated: August 31, 2019

**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, 2019

For Dynacons Systems & Solutions Ltd.

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place: Mumbai
Dated: August 31, 2019

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 2019, 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 31st, 2019, 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.

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 22 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 acknowledgment 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 acknowledgments.
- 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 acknowledgments 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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.29.6 to the financial statements.
 - ii. The Company has long term contracts as at March 31, 2019 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2019.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2019.

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

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Date : May 27, 2019

ANNEXURE “A” FORMING PART OF INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended March 31st, 2019, 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, 2019 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 :-

Name of Statute	Nature of dues	Year(s) to which it pertains	Amount Not Paid (in Lakhs)	Forum where dispute is pending
Value Added tax	Value Added Tax	FY 2008-2009	11.14	Deputy Commissioner of Sales tax Appeal.

- 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) The company has made preferential allotment of shares during the year under review. Based upon the audit procedure performed and the information and explanation given by the management , we report that the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which funds were raised.
- xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with to its Directors; hence the clause (xv) of paragraph 3 of the Order is not applicable and hence not commented upon.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 – IA of Reserve Bank of India Act, 1934, and hence provision of clause 3(xvi) of the order are not applicable to the company and hence not commented upon.

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

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Date : May 27, 2019

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, 2019 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Date : May 27, 2019

Standalone Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
A ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	2	249.60	284.52
(b) Investment in Subsidiary	3	5.05	5.05
(c) Financial Assets			
(i) Investments	4	0.89	0.89
		255.54	290.47
2. Current assets			
(a) Inventories	5	1,679.15	1,380.78
(b) Financial Assets			
(i) Trade receivables	6	5,767.59	3,953.57
(ii) Cash and cash equivalents	7	680.56	684.60
(iii) Bank balances other than mentioned in cash and cash equivalents	8	1,082.43	200.14
(iv) Short-term loans and advances	9	16.82	9.99
(v) Other Financial Assets	10	10.33	311.52
(c) Other Current Assets	11	111.02	110.84
		9,347.90	6,651.43
	TOTAL	9,603.45	6,941.90
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	12	917.31	690.81
(b) Other Equity	13	2,156.09	1,623.41
		3,073.40	2,314.22
2. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	30.34	49.70
(b) Long-Term Provisions	15	92.40	68.47
(c) Deferred Tax Liabilities (Net)	16	10.55	26.38
(d) Other non-current liabilities	17	6.93	6.93
		140.22	151.48
3. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	3,462.91	3,479.55
(ii) Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		9.60	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,529.72	583.78
(iii) Other Financial Liabilities	20	49.96	17.88
(b) Other Current Liabilities	21	337.64	395.00
		6,389.83	4,476.21
	TOTAL	9,603.45	6,941.90
Notes on Financial Statements	1-29		

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

Place : Mumbai

Date : May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Dharmesh Anjaria

Executive Director

DIN : 00445009

Parag Dalal

Executive Director

DIN : 00409894

Ravishankar Singh

Company Secretary

Standalone Profit and Loss Statement for the Year Ended 31st March 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
1. INCOME			
(a) Revenue from Operations	22	30,371.88	21,069.54
(b) Other Income	23	117.88	83.30
2. Total Revenue		30,489.77	21,152.84
3. EXPENSES			
(a) Purchases of Stock-In-Trade	24	26,394.57	18,283.28
(b) Changes In Inventories Of Stock-In-Trade	25	(298.37)	(461.46)
(c) Employee Benefits Expense	26	2,406.06	2,046.68
(d) Finance Costs	27	515.49	354.06
(e) Depreciation And Amortisation Expense	1	72.18	76.10
(f) Other Expenses	28	768.71	570.40
4. Total Expenses		29,858.65	20,869.07
5. Profit before tax		631.12	283.78
6. Tax Expense:			
(a) Current Tax		228.80	104.24
(b) Deferred Tax		(16.29)	(9.54)
		212.51	94.70
7. Profit for the year		418.61	189.07
8. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Measurement of defined employee benefit plan		1.28	4.96
Gains and losses from investments in equity instruments		-	(0.39)
(ii) Income tax relating to items that will be reclassified to profit or loss		(0.46)	(1.38)
Other comprehensive income for the year, net of tax		0.82	3.19
9. Total comprehensive income for the year		419.43	192.26
10. Earnings per equity share (Profit for the year)			
(i) Basic (In ₹)		5.20	2.91
(ii) Diluted (In ₹)		5.20	2.06
Notes on Financial Statements	1-29		

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

Place : Mumbai
Date : May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary

Standalone Cash Flow Statement for the Year Ended 31st March 2019

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	631.12	283.78
Add: Depreciation And Amortisation Expense	72.18	76.10
Profit/(Loss) on sale of Property, Plant and Equipment	(0.53)	0.00
Finance Costs	515.49	354.06
	587.14	430.16
Operating profit before working Capital	1,218.26	713.94
Changes in current assets and liabilities		
Adjustments for increase/(decrease) in operating assets:		
Inventories	(298.37)	(461.46)
Trade receivables	(1,814.02)	(1,104.11)
Other current financial assets	(587.93)	(265.47)
Other current assets	(19.87)	65.86
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1,955.54	(106.17)
Other current financial liabilities	32.08	(2.30)
Other current liabilities	(57.35)	(70.98)
Other non current Liabilities	0.00	3.31
Provisions	24.75	20.87
	(765.18)	(1,920.44)
Cash Generated from Operations	453.08	(1,206.50)
Taxes paid	(208.65)	(112.29)
Net Cash Flow from operating activities	244.43	(1,318.79)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(40.73)	(57.55)
Sale of Property, Plant and Equipment	4.00	0.00
Net Cash Used for Investing Activities	(36.73)	(57.55)
C CASH FLOW FROM FINANCING ACTIVITIES		
Money received against share warrants	339.75	79.50
Repayment of long-term borrowings	(19.36)	(17.70)
Short-term borrowings (net)	(16.65)	1,556.93
Interest Paid	(515.49)	(354.06)
Net cash From Financing Activities	(211.75)	1,264.66
D Net Increase in Cash and Cash Equivalents (A+B+C)	(4.04)	(111.68)
E Cash and Cash Equivalents (Opening Balance) (As per Note 8)	684.60	796.28
F Cash and Cash Equivalents (Closing Balance) (As per Note 8)	680.56	684.60
	(4.04)	(111.68)

The accompanying notes are an integral part of the financial statements

Notes

- The Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows
- This is the Cash Flow Statement referred to in our report of even date

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

Place : Mumbai

Date : May 27, 2019

For and on behalf of the Board of Directors**Shirish Anjaria**

Chairman cum Managing Director

DIN : 00444104**Dharmesh Anjaria**

Executive Director

DIN : 00445009**Parag Dalal**

Executive Director

DIN : 00409894**Ravishankar Singh**

Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

A. Equity Share Capital (Note No. 12)

Particulars	Equity Share Capital
As at 1 st April 2017	63,780,800.00
Changes in Equity Share Capital	5,300,000.00
As at 31 st March 2018	69,080,800.00
Changes in Equity Share Capital	22,650,000.00
As at 31 st March 2019	91,730,800.00

B. Other Equity (Note No. 13)

(₹ in Lakhs)

	Reserves and Surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
Balance as at 1st April 2017	45.50	1,218.39	1.01	139.75	1,404.65
Total Comprehensive Income for the year	-	-	3.19	-	3.19
Additions during the year	53.00	189.07	-	79.50	321.57
Issue of Equity Shares	-	-	-	(106.00)	(106.00)
Balance as at 31st March 2018	98.50	1,407.47	4.20	113.25	1,623.41

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

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

Place : Mumbai
Date : May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities that are measured at fair value;
- b) assets held for sale – measured at fair value less cost to sell;
- c) defined benefit plans – plan assets measured at fair value;

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated

2.2. Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

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. Interest income is accounted on accrual basis;

2.2.5. Dividend income on investments is recognised when the right to receive dividend is established;

2.2.6. 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

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant

2.5. Accounting Standards Issued but not Effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which is effective from 1st April 2019:

Ind AS 116: Leases

It will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is in process of evaluating the impact of the same.

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 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.

2.10. 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 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 29.6 Contingent assets are not recognised in the financial statements.

2.17. Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease charges are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

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 group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at amortized Cost

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

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

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

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

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

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

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those

designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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

2.19. 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, 2019

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Furnitures & Fixtures	Vehicles (Cars)	Office Equipment	Computer	TOTAL
Gross block					
Balance as at 1 April 2017	2.61	112.22	1.10	229.06	344.99
Additions	5.82	-	0.42	51.30	57.55
Disposals	-	-	-	-	-
Balance as at 31 March 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
Accumulated depreciation/amortisation					
Balance as at 1 April 2017	0.06	(2.88)	0.22	44.52	41.91
Depreciation for the year	0.69	16.36	0.51	58.55	76.10
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 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
Net Block					
Balance as at 1 April 2018	7.68	98.75	0.80	177.30	284.52
Balance as at 31 March 2019	6.86	114.90	1.65	126.19	249.60

Charge has been created over property, plant and equipments of the company in regard to borrowings (Refer note 14.1)

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
3. INVESTMENT IN SUBSIDIARY		
Equity Investment at cost		
(i) In Equity Shares - Unquoted, fully paid up		
Dynacons Systems & Solutions PTE Ltd.		
(7,678 (31 st March, 2018 - 7,678) Equity Shares of US\$ 1/- each)	5.05	5.05
Total	5.05	5.05
(ii) Extent of investment in subsidiaries		
-Dynacons Systems & Solutions PTE Ltd	100.00 %	100.00 %
(iii) Aggregate amount of:		
-Unquoted investments	5.05	5.05
4. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments designated at fair value through Other Comprehensive Income		
(i) In Equity Shares - Unquoted, fully paid up		
Kapol Co-op Bank Ltd	0.51	0.51
(5,125 (31 st March, 2018 - 5,125) Equity Shares of ₹ 10 each)		
(ii) In Equity Shares - Quoted, fully paid up		
Dena Bank	0.38	0.38
(2,000 (31 st March, 2018 - 2,000) Equity Shares of ₹ 10 each fully paid up)		
	0.89	0.89
Total	5.94	5.94
(iii) Aggregate amount of:		
-Quoted investments	0.38	0.77
-Unquoted investments	0.51	0.51
(iv) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').		
(v) Investments at fair value through OCI reflect investment in quoted equity securities.		

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
5. INVENTORIES		
(valued at lower of cost and net realisable value)		
Stock-in-trade	1,679.15	1,380.78
Total	1,679.15	1,380.78
Inventories of Rs. 1,679.15 lakhs (as at 31 st March, 2018: Rs. 1,380.78 lakhs) are hypothecated against working capital facilities from banks. (Refer note 18.1)		
6. TRADE RECEIVABLES		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	5,767.59	3,953.57
Trade Receivables which have significant increase in Credit Risk;	-	-
Trade Receivables - credit impaired	-	-
Total	5,767.59	3,953.57
6.1 Trade Receivables of Rs. 5,767.59 lakhs (as at 31 st March, 2018: Rs. 3,953.57 lakhs) are hypothecated against working capital facilities from banks. (Refer note 18.1)		
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	3.22	9.09
Balances with banks in current accounts	12.96	3.12
Demand deposits with Banks	664.38	672.39
Total	680.56	684.60
Deposits Accounts of Rs. 664.38 lakhs (As at 31 st March, 2018 Rs. 672.39) pledged as margin money deposit for facilities from Banks. (Refer Note 18.1)		
8. BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS		
-Balances with bank held as margin money	1,082.43	200.14
Total	1,082.43	200.14
Fixed Deposit of Rs. 1082.43 lakhs (As at 31 st March, 2018 Rs. 200.14 lakhs) pledged as margin money deposit for facilities from Banks. (Refer Note 18.1)		
9. SHORT TERM LOANS AND ADVANCES		
Loans & Advances to employees		
-Loans Receivables considered good - Unsecured	16.82	9.99
Total	16.82	9.99

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019
(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
10. OTHER FINANCIAL ASSETS		
(Unsecured and Considered Good)		
Security Deposits	10.33	311.52
Total	10.33	311.52
11. OTHER CURRENT ASSETS		
Advance income tax (Net of provisions)	111.02	104.84
Other loans and advances		
-Loans Receivables considered good - Unsecured	-	6.00
Total	111.02	110.84
12. EQUITY SHARE CAPITAL		
(a) Authorised Share Capital		
30,000,000 Equity shares of ₹10 each	3,000.00	3,000.00
(Previous Year 30,000,000 Equity shares of ₹10 each)		
(b) Issued, Subscribed and Fully Paid up :		
(91,73,080 Equity shares of ₹ 10 each)	917.31	690.81
(Previous year 69,08,080 Equity shares of ₹ 10 each)		

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	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 :

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	840,948	9.17	620,948	8.99
Dharmesh Shirish Anjaria	636,220	6.94	636,220	9.21
Parag Jitendra Dalal	627,200	6.84	627,200	9.08
Nilam Anjaria	364,602	3.97	364,602	5.28

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

- 12.3 The Company has allotted 22,65,000 equity shares of Rs 10 each at a premium of ₹ 10 per share on a Preferential basis on September 29, 2018 against the warrants converted by the holders.
- 12.4 As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the both legal and beneficial ownership of shares.
- 12.5 The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholdings.
- 12.6 During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

Particulars	(₹ in Lakhs)	
	As at 31 March, 2019	As at 31 March, 2018
13. OTHER EQUITY		
Securities premium account	325.00	98.50
General reserve	190.46	190.46
Retained earnings	1,635.61	1,217.01
Money received against share warrants	-	113.25
other comprehensive income	5.02	4.20
Total	2,156.09	1,623.41
The movement in other Equity:		
(a) Securities premium account		
As per last Balance Sheet	98.50	45.50
Add : Premium on shares issued during the year	226.50	53.00
Total	325.00	98.50
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	1,217.01	1,027.93
Add: Profit for the year	418.61	189.07
Total	1,635.61	1,217.01
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.		

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(d) Money received against share warrants	113.25	139.75
Add : Monies received during the year	339.75	79.50
	453.00	219.25
Less : Issue of Shares	226.50	53.00
Less : Transfer to Securities Premium Account	226.50	53.00
	-	113.25

The Company has allotted 22,65,000 equity shares of Rs. 10/- each issued at premium of Rs.10/- (Previous year 530,000 equity shares of Rs 10 each at a premium of Rs 10 per share) issued 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	2,151.07	1,619.22
(e) Accumulated other comprehensive income		
Balance at the beginning of the year	4.20	1.01
Add : Movement during the year	0.82	3.19
Balance at the end of the year	5.02	4.20
Total other Equity	2,156.09	1,623.41

14. NON-CURRENT BORROWINGS

Secured

Term Loans

From Banks	23.16	14.55
From Others	7.18	35.15
Total	30.34	49.70

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

- a) Term loans from banks are Secured by way of first mortgage/charge on the Plant & Machinery of the Company
- b) Term loans from Others are 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-July-21	16.00	9.36%
	Yes Bank	Motor Car	15-Oct-22	30.00	8.78%
B	From Others				
	Non Banking Financial Company BMW India Financial Services Pvt Limited	Motor Car	01-Dec-20	9.00	9.25%

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019
(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
15. LONG TERM PROVISIONS		
Provision for employee benefits:		
Provision for other defined benefit plans		
Gratuity (Refer Note 29.2)	65.74	48.24
Leave Encashment	26.66	20.23
Total	92.40	68.47
16. DEFERRED TAX LIABILITY NET		
(a) Amounts recognized in profit and loss		
Current tax expense (A)		
In respect of current year	228.80	104.24
Deferred tax expense (B)		
In respect of current year	(16.29)	(9.54)
Adjustments for earlier years (C)	-	-
Tax expense recognized in the income statement (A+B+C)	212.51	94.70

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31 st March, 2019			For the year ended 31 st March, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	1.28	(0.46)	0.82	4.96	(1.38)	3.58
	1.28	(0.46)	0.82	4.96	(1.38)	3.58

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2019		For the year ended 31 st March, 2018	
	%	Amounts	%	Amounts
Profit before tax		631.12		283.78
Tax using the Company's domestic tax rate	0.33	210.69	0.32	91.16
Tax effect of:				
Disallowable expenses	0.03	18.09	0.00	0.58
Income/Expenses not considered in Income Tax Act	-	-	-	-
Other non deductible differences -	-	-	-	-
	0.36	228.78	0.32	91.74
Adjustments for earlier years -	-	-	-	-
Effective income tax rate	0.36	228.78	0.32	91.74

(d) Movement in deferred tax

Particulars					As at 31 st March, 2019		
	Net balance April 1, 2018	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(39.79)	6.04	-	-	(33.75)	-	33.75
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	13.42	10.25	(0.46)	-	23.21	23.21	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency monetary item translation difference account	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(26.37)	16.29	(0.46)	-	(10.54)	23.21	33.75

Particulars					As at 31 st March, 2018		
	Net balance April 1, 2017	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(47.87)	8.08	-	-	(39.79)	-	39.79
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	13.34	1.46	(1.38)	-	13.42	13.42	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency monetary item translation difference account	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(34.53)	9.54	(1.38)	-	(26.37)	13.42	39.79

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
17. OTHER NON CURRENT LIABILITIES		
Other Payables*	6.93	6.93
Total	6.93	6.93
* Includes staff dues.		
18. Short Term Borrowings		
Secured		
Working Capital Loans :		
From Banks	3,462.91	3,479.55
Total	3,462.91	3,479.55
18.1 Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit and Fixed Assets and personal guarantees of directors.		
19. TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	9.60	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,529.72	583.78
Total	2,539.32	583.78

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, 2019	As at 31 March, 2018
Principal amount due and remaining unpaid	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 standalone financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
20. OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt	49.96	17.88
Total	<u>49.96</u>	<u>17.88</u>
21. OTHER CURRENT LIABILITIES		
Other Payables*	337.64	395.00
Total	<u>337.64</u>	<u>395.00</u>
* includes statutory dues and others		
22. REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	30,371.88	21,069.54
Total	<u>30,371.88</u>	<u>21,069.54</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	30,371.88	21,069.54
Export (Including deemed export)	-	-
Total	<u>30,371.88</u>	<u>21,069.54</u>
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	30,753.60	21,144.47
Less: Adjustments		
Sales return	(381.71)	(74.93)
Revenue from contracts with Customers	<u>30,371.88</u>	<u>21,069.54</u>
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	5,767.59	3,953.57
Allowance as per Expected credit loss model	-	-
Total	<u>5,767.59</u>	<u>3,953.57</u>

Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
23. OTHER INCOME		
Interest income	117.35	83.30
Other Non-Operating Income	0.53	-
Total	<u>117.88</u>	<u>83.30</u>
24. PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products	26,394.57	18,283.28
(Previous year : Net of Transitional Credit of Excise Duty on opening stock Rs. 164.64 Lakhs on Transition to Goods & Services Tax)		
Total	<u>26,394.57</u>	<u>18,283.28</u>
25. CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	1,679.15	1,380.78
Total	<u>1,679.15</u>	<u>1,380.78</u>
Inventories at commencement		
Stock-in-Trade	1,380.78	919.32
Total	<u>1,380.78</u>	<u>919.32</u>
Total	<u>(298.37)</u>	<u>(461.46)</u>
26. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,259.66	1,913.42
Contributions to provident and other funds	146.40	133.27
Total	<u>2,406.06</u>	<u>2,046.68</u>
27. FINANCE COST		
a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	500.50	346.64
b) Other interest cost		
Others	14.99	7.42
Total	<u>515.49</u>	<u>354.06</u>

Notes forming part of the standalone financial statements for the financial year ended 31st March, 2019

28. OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Electricity Expenses	10.49	10.72
Rent	79.68	68.82
Communication Expenses	33.05	23.13
Auditors Remuneration	7.60	5.85
Staff Welfare Expenses	42.38	30.89
Bank Charges	87.43	35.78
Conveyance And Travelling Expenses	238.88	172.92
Insurance Charges	10.15	7.10
Legal & Professional Charges	88.21	46.69
Membership & Subscription	3.13	3.60
Miscellaneous Expenses	26.46	31.71
Motor Car Expenses	4.69	6.02
Printing & Stationary Expenses	10.59	18.18
Rates & Taxes	15.45	17.76
Repairs & Maintenance -Building	2.76	4.31
Repairs & Maintenance - Others	3.90	10.63
Sales Promotion Expenses	20.58	14.00
Transportation Charges	83.29	62.29
Total	768.71	570.40

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Additional Information to the financial statements

29.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit after Tax	(₹/lakhs)	418.61	189.07
Weighted Number of Equity Shares	Nos. Lakhs	80.56	65.06
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	5.20	2.91
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	5.20	2.06

29.2. 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	2019	2018
		Amount (₹)	Amount (₹)
I.	Assumptions :		
	Discount Rate	7.64%	7.66%
	Salary escalation rate	4.50%	3.00%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	48.24	38.35
	Current Service Cost	17.04	9.88
	Balance	65.28	48.24
	Liability at the end of the year	65.28	48.24
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	65.28	48.24
	Difference	-	-
	Amount Recognized in the Balance Sheet	65.28	48.24
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	17.04	9.88
	Expense Recognized in P& L	17.04	9.88
V.	Expenses Recognized in the OCI :		
	Current Service Cost	1.28	4.96
	Expense Recognized in P& L	1.28	4.96

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, 2019	31 st March, 2018
1 st Following Year	3.84	3.25
2 nd Following Year	1.97	1.51
3 rd Following Year	2.12	1.68
4 th Following Year	2.44	1.85
5 th Following Year	2.58	2.32
Sum of Years 6 To 10	19.73	14.11
Sum of Years 11 and above	198.26	149.47

Sensitivity Analysis

(₹ in Lakhs)

	31 st March, 2019	31 st March, 2018
Projected Benefit Obligation on Current Assumptions	66.56	48.24
Delta Effect of +1% Change in Rate of Discounting	(7.91)	(5.57)
Delta Effect of -1% Change in Rate of Discounting	9.57	6.76
Delta Effect of +1% Change in Rate of Salary Increase	9.78	7.04
Delta Effect of -1% Change in Rate of Salary Increase	(8.19)	(5.86)
Delta Effect of +1% Change in Rate of Employee Turnover	2.72	3.43
Delta Effect of -1% Change in Rate of Employee Turnover	(3.23)	(4.08)

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.

29.3 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 are interested
 - S. P. Corporation
 - Trigem Infosolutions Limited

(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	2019 (₹/lakhs)	2018 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.76	4.23
Mr. Shirish M. Anjaria	Remuneration	21.00	21.00
Mr. Parag J. Dalal	Remuneration	18.00	18.00
Mr. Dharmesh S. Anjaria	Remuneration	18.00	18.00
Mr. Ravishankar Singh	Remuneration	1.13	1.13

29.4. Balances Outstanding

(₹ in Lakhs)

Nature of Transaction	Subsidiaries		Entities controlled by Key Managerial Personnel	
	As at 31 st March, 2019	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2018
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.

29.5. Segment Information

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

29.6. Contingent Liabilities

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

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (₹/lakhs)
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

- b) Guarantees given by the company's bankers ₹ 2906.06 lakhs (previous year ₹ 1500.61 lakhs)

29.7. Financial instruments

A. Capital Management :

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14, 18 and 20) and total equity of the Company.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current borrowings	30.34	49.70
Current maturities of non-current borrowings	49.96	17.88
Current borrowings	3,462.91	3,479.55
Total Debt	3,543.21	3,547.13
Equity	3,073.40	2,314.22
Net debt to equity ratio	1.15	1.53

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, 2019	As at 31 st March, 2018
Financial Assets		
Measured at amortised cost		
Trade receivables	5,767.59	3,953.57
Cash and cash equivalents	680.56	684.60
Bank balances other than above	1,082.43	200.14
Loans	16.82	9.99
Other Financial Assets	10.33	311.52
Designated at fair value through other comprehensive income		
Investments in equity shares	0.89	0.89
Total	7,558.62	5,160.71
Financial Liabilities		
Measured at amortised cost		
Long-Term Borrowings	30.34	49.70
Short-Term Borrowings	3,462.91	3,479.55
Trade Payables	2,539.32	583.78
Other Financial Liabilities	49.96	17.88
Total	6,082.53	4,130.91

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)

	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-19	0.89	0.38	-	0.51
	31-Mar-18	0.89	0.38	-	0.51

There have been no transfers between levels during the period.

Investment in quoted equity instrument are valued based on the quoted prices available in the market as at the reporting date.

Investments in Unquoted Equity Shares i.e Level 3 fair value measurement are valued at carrying cost since amounts are not materials. Investments in unquoted equity shares are made in banks as part of mandatory requirements for obtaining finances from the financing bank.

The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values:

(₹ in Lakhs)

Particulars	Total	FVTOCI financial investments
Balance as at 31 st March, 2017	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31 st March, 2018	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31 st March, 2019	0.51	0.51

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

29.8 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:

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
0-180 days	5,644.10	3,794.68
181-365 days	99.76	111.56
Above 365 days	23.73	47.33
Total	5,767.59	3,953.57

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters. In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in Debentures, Preference shares, mutual funds, derivative contracts and loan to subsidiary companies. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

b) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the 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 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
As at 31st March 2018			
Borrowings	3,479.55	3,479.55	-
Trade Payables	583.78	583.78	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	67.58	17.88	49.70

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, 2019	As at 31 st March, 2018
Financial assets		
Trade receivables	330.62	59.41
Net exposure for assets	330.62	59.41
Financial liabilities	-	-
Net exposure for liabilities	-	-
Net exposure (Assets - Liabilities)	330.62	59.41

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, 2019	For the year ended 31 st March, 2018	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
USD	16.53	2.97	(16.53)	(2.97)

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, 2019	For the year ended 31 st March, 2018
Term loans - long term		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	80.30	67.58
Short term borrowings	3,462.91	3,479.55
	3,543.21	3,547.13

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, 2019	For the year ended 31 st March, 2018	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Term loans-long term	-	-	-	-
Short term borrowings	8.66	8.70	(8.66)	(8.70)

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

29.9 CSR Expenditure

The conditions stipulated for mandatory earmarking of amounts for Corporate Social Responsibility activities in the section 185 of the Companies Act, 2013 is not applicable to the Company.

29.10 (a) Advance(s) in the nature of Loan (Regulation 34 of Listing Obligations & Disclosure Requirements)

No Loans have been given to Subsidiaries during the year.

(b) Particulars of Loans, Guarantees or Investments covered under section 186(4) of the Companies Act, 2013

Name of the Party	Nature	Amount (Rs.)	Purpose
Wholly Owned Subsidiary			
Dynacons Systems & Solutions PTE Ltd	Investments in Equity Shares	505,143	Capital Investment

29.11 Lease Commitments

Operating Lease

The company has taken office premises on lease under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 79.68 lakhs (Previous year ₹ 68.82 lakhs). The deposit paid in respect of the same is ₹ 29.77 Lakhs (as at 31st March, 2018: ₹ 30.02 lakhs)

The future minimum lease payments and payment profile of cancellable operating leases are as under:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Not later than one year	71.75	73.69
Later than one year but not later than five years	8.95	65.25
More than five years	-	-
Total	80.70	138.94

29.12 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

Place : Mumbai
Date : May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary

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 & 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, 2019, 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, 2019, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year on that date.

Basis for Opinion

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

Key Audit Matters

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

A) Revenue for the Company consists primarily of sale of goods recognized and provision of services as per the accounting policy described in Note 2.2 to the accompanying consolidated financial statements. Refer Note 22 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 acknowledgment 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 acknowledgments.
- 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 acknowledgments to evidence proof of delivery for domestic sales at or near period end

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

The Holding Company's Board of Directors is responsible for the matters stated in Sec 134(5) of Companies Act, 2013 with respect to the presentation and of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditors Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

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

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

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

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

Other Matters

1. We did not audit the financial statements of Dynacons Systems & Solutions Pte. Ltd., a wholly owned subsidiary and located outside India whose financial statements reflect total assets (net) of Rs.294.38/- (lakhs) as on March 31, 2019 and total income of Rs. 192.66/- 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books 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, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements have disclosed the impact of pending litigations as on March 31, 2019 on its financial position in its Consolidated Ind AS financial statements Refer to Note No 28.5.
 - ii. The Consolidated Financial Statement have long term contracts as at March 31, 2019 for which there are no material foreseeable losses. The Consolidated Financial Statement do not have derivative contracts as at March 31, 2019.
 - 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, 2019.

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

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Date : May 27, 2019

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, 2019 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 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

M. S. Parikh
Partner
Membership No.: 08684

Place: Mumbai
Date : May 27, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2	249.60	284.52
(b) Financial Assets			
(i) Investments	3	0.89	0.89
		250.49	285.41
2. Current assets			
(a) Inventories	4	1,679.15	1,380.78
(b) Financial Assets			
(i) Trade receivables	5	5,961.44	3,953.71
(ii) Cash and cash equivalents	6	790.50	712.39
(iii) Bank balances other than mentioned in cash and cash equivalents	7	1,082.43	200.14
(iv) Short-term loans and advances	8	16.82	9.99
(v) Other Financial Assets	9	10.33	311.52
(c) Other Current Assets	10	101.60	109.72
		9,642.28	6,678.25
	TOTAL	9,892.77	6,963.66
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	11	917.31	690.81
(b) Other Equity	12	2,272.77	1,640.25
		3,190.08	2,331.06
2. Non-current liabilities			
(a) Financial Liabilities			
(i) Long-Term Borrowings	13	30.34	49.70
(b) Long-Term Provisions	14	92.40	68.47
(c) Deferred Tax Liabilities (Net)	15	10.55	26.38
(d) Other non-current liabilities	16	6.93	6.93
		140.22	151.48
3. Current liabilities			
(a) Financial Liabilities			
(i) Short-Term Borrowings	17	3,462.91	3,479.55
(ii) Trade Payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		9.60	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,702.37	588.69
(iii) Other Financial Liabilities	19	49.96	17.88
(b) Other Current Liabilities	20	337.64	395.00
		6,562.47	4,481.12
	TOTAL	9,892.77	6,963.66
Notes on Financial Statements	1-28		

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

Place : Mumbai

Date: May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

DIN : 00444104

Dharmesh Anjaria

Executive Director

DIN : 00445009

Parag Dalal

Executive Director

DIN : 00409894

Ravishankar Singh

Company Secretary

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
1. INCOME			
(a) Revenue from Operations	21	31,072.94	21,377.20
(b) Other Income	22	117.88	83.30
2. Total Revenue		31,190.82	21,460.50
3. EXPENSES			
(a) Purchases of Stock-In-Trade	23	26,977.08	18,558.43
(b) Changes In Inventories Of Stock-In-Trade	24	(298.37)	(461.46)
(c) Employee Benefits Expense	25	2,406.06	2,046.68
(d) Finance Costs	26	515.49	354.06
(e) Depreciation And Amortisation Expense	1	72.18	76.10
(f) Other Expenses	27	779.37	581.28
4. Total Expenses		30,451.82	21,155.10
5. Profit before tax		739.00	305.41
6. Tax Expense:			
(a) Current Tax		238.22	105.38
(b) Deferred Tax		(16.29)	(9.54)
		221.93	95.84
7. Profit for the year		517.07	209.56
8. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Measurement of defined employee benefit plan		1.28	4.96
Gains and losses from investments in equity instruments		-	(0.39)
Difference in foreign exchange rates		1.38	0.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.46)	(1.38)
Other comprehensive income for the year, net of tax		2.19	3.20
9. Total comprehensive income for the year		519.27	212.76
10. Earnings per equity share (Profit for the year)			
(i) Basic (In ₹)		6.42	3.22
(ii) Diluted (In ₹)		6.42	2.28
Notes on Financial Statements	1-28		

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

Place : Mumbai
Date: May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	739.00	305.41
Add: Depreciation And Amortisation Expense	72.18	76.10
Profit/(Loss) on sale of Property, Plant and Equipment	(0.53)	-
Finance Costs	515.49	354.06
Difference in Foreign Exchange Rates	1.38	-
	<u>588.52</u>	<u>430.16</u>
Operating profit before working Capital	1,327.52	735.56
Changes in current assets and liabilities		
Adjustments for increase / (decrease) in operating assets:		
Inventories	(298.37)	(461.46)
Trade receivables	(2,007.73)	(1,104.24)
Other current financial assets	(587.93)	(265.47)
Other current assets	(20.99)	65.84
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in Current Liabilities & Provision		
Trade payables	2,123.27	(101.24)
Other current financial liabilities	32.08	(2.30)
Other current liabilities	(57.35)	(70.98)
Other non current Liabilities	-	3.31
Provisions	24.75	20.87
	<u>(792.29)</u>	<u>(1,915.66)</u>
Cash Generated from Operations	535.23	(1,180.10)
Taxes paid	(208.65)	(112.29)
Net Cash Flow from operating activities	<u>326.59</u>	<u>(1,292.39)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(40.73)	(57.55)
Sale of Property, Plant and Equipment	4.00	-
Net Cash Used for Investing Activities	<u>(36.73)</u>	<u>(57.55)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Money received against share warrants	339.75	79.50
Repayment of long-term borrowings	(19.36)	(17.70)
Short-term borrowings (net)	(16.65)	1,556.93
Interest Paid	(515.49)	(354.06)
Net cash From Financing Activities	<u>(211.75)</u>	<u>1,264.66</u>
D Net Increase in Cash and Cash Equivalents (A+B+C)	78.11	(85.28)
E Cash and Cash Equivalents (Opening Balance)	712.39	797.67
(As per Note 6)		
F Cash and Cash Equivalents (Closing Balance)	790.50	712.39
(As per Note 6)	<u>78.11</u>	<u>(85.28)</u>
The accompanying notes are an integral part of the financial statements		

Notes

- The Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows
- This is the Cash Flow Statement referred to in our report of even date

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

Place : Mumbai
Date: May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary

STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March, 2019

A. Equity Share Capital (Note No. 11)

Particulars	Equity Share Capital
As at 1st April 2017	63,780,800.00
Changes in Equity Share Capital	5,300,000.00
As at 31st March 2018	69,080,800.00
Changes in Equity Share Capital	22,650,000.00
As at 31st March 2019	91,730,800.00

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 1 st April 2017	45.50	1,214.73	1.01	113.25	1,374.49
Total Comprehensive Income for the year	-	-	3.20	-	3.20
Additions during the year	53.00	209.56	-	-	262.56
Issue of Equity Shares	-	-	-	-	-
Balance as at 31 st March 2018	98.50	1,424.30	4.21	113.25	1,640.25

Balance as at 1 st April 2018	98.50	1,424.30	4.21	113.25	1,640.25
Total Comprehensive Income for the year					
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 31 st March 2019	325.00	1,941.37	6.40	-	2,272.77

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

Place : Mumbai
Date: May 27, 2019

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

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Executive Director
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Ravishankar Singh
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

(i) Statement of compliance and basis of preparation

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

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These consolidated financial statements are presented in lakhs of Indian Rupees which is also the Parent's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

(ii) 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 2019. 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-19	31-Mar-18
Dynacons Systems & Solutions PTE. Ltd	Singapore	100	100

(iii) Principles for Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 – Consolidated Financial Statements, as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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.

(iv) Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements.

(v) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the result of operations during the reporting periods. Significant estimate include provision for doubtful debts and loans and advances, provision for income and deferred taxes, future obligation under employee benefit plans, estimated useful life of tangible assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates and any revision to accounting estimates is recognized prospectively in the current and future periods.

Assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle up to twelve months for the purpose of current – noncurrent classification of assets and liabilities.

2.2. Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

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. Interest income is accounted on accrual basis;

2.2.5. Dividend income on investments is recognised when the right to receive dividend is established;

2.2.6. 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

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The impact of the adoption of the standard on the financial statements of the Company is insignificant

2.5. Accounting Standards Issued but not Effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which is effective from 1st April 2019:

Ind AS 116: Leases

It will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is in process of evaluating the impact of the same.

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 of, 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

Operating Lease

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease charges are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

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 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 28.5. Contingent assets are not recognised in the financial statements.

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, 2017, 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. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.21. Financial instruments

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

Classification and subsequent measurement of financial assets

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

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

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

Financial assets at amortized Cost

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

These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and

credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

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

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

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

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

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

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

2.22. Earnings per share

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

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

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Furnitures & Fixtures	Vehicles (Cars)	Office Equipment	Computer	TOTAL
Gross block					
Balance as at 1 April 2017	2.61	112.22	1.10	229.06	344.99
Additions	5.82	-	0.42	51.30	57.55
Disposals	-	-	-	-	-
Balance as at 31 March 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
Accumulated depreciation/amortisation					
Balance as at 1 April 2017	0.06	(2.88)	0.22	44.52	41.91
Depreciation for the year	0.69	16.36	0.51	58.55	76.10
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 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
Net Block					
Balance as at 1 April 2018	7.68	98.75	0.80	177.30	284.52
Balance as at 31 March 2019	6.86	114.90	1.65	126.19	249.60

Charge has been created over property, plant and equipments of the company in regard to borrowings (Refer note 13.1)

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
3 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	0.51	0.51
(5,125 (31 st March, 2018 - 5,125) Equity Shares of ₹ 10 each)		
(ii) In Equity Shares - Quoted, fully paid up		
Dena Bank	0.38	0.38
(2,000 (31 st March, 2018 - 2,000) Equity Shares of ₹ 10 each fully paid up)		
Total	<u>0.89</u>	<u>0.89</u>
(iii) Aggregate amount of:		
-Quoted investments	0.38	0.38
-Unquoted investments	0.51	0.51
(iv) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').		
(v) Investments at fair value through OCI reflect investment in quoted equity securities.		
4 INVENTORIES		
(valued at lower of cost and net realisable value)		
Stock-in-trade	1,679.15	1,380.78
Total	<u>1,679.15</u>	<u>1,380.78</u>
Inventories of Rs. 1,679.15 lakhs (as at 31 st March, 2018: Rs. 1,380.78 lakhs) are hypothecated against working capital facilities from banks. (Refer note 17.1)		
5 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured;	5,961.44	3,953.71
Trade Receivables which have significant increase in Credit Risk;	-	-
Trade Receivables - credit impaired	-	-
Total	<u>5,961.44</u>	<u>3,953.71</u>
5.1 Trade Receivables of Rs. 5,961.44 lakhs (as at 31 st March, 2018: Rs. 3,953.57 lakhs) are hypothecated against working capital facilities from banks. (Refer note 17.1)		
5.2 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		

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
6 CASH AND CASH EQUIVALENTS		
Cash on hand	3.74	9.09
Balances with banks in current accounts	122.38	30.92
Demand deposits with Banks	664.38	672.39
Total	790.50	712.39
Deposits Accounts of Rs. 664.38 lakhs (As at 31 st March, 2018 Rs. 672.39) pledged as margin money deposit for facilities from Banks. (Refer Note 17.1)		
7 BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS		
-Balances with bank held as margin money	1,082.43	200.14
Total	1,082.43	200.14
Fixed Deposit of Rs. 1082.43 lakhs (As at 31 st March, 2018 Rs. 200.14 lakhs) pledged as margin money deposit for facilities from Banks. (Refer Note 17.1)		
8 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Loans & Advances to employees		
-Loans Receivables considered good - Unsecured	16.82	9.99
Total	16.82	9.99
9 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)		
Security Deposits	10.33	311.52
Total	10.33	311.52
10 OTHER CURRENT ASSETS		
Advance income tax (Net of provisions)	101.60	103.72
Other loans and advances		
-Loans Receivables considered good - Unsecured	-	6.00
Total	101.60	109.72
11 EQUITY SHARE CAPITAL		
(a) Authorised Share Capital		
30,000,000 Equity shares of ₹10 each	3,000.00	3,000.00
(Previous Year 30,000,000 Equity shares of ₹10 each)		
(b) Issued, Subscribed and Fully Paid up :		
(91,73,080 Equity shares of ₹ 10 each)	917.31	690.81
(Previous year 69,08,080 Equity shares of ₹ 10 each)		

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

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

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	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

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

Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	840,948	9.17	620,948	8.99
Dharmesh Shirish Anjaria	636,220	6.94	636,220	9.21
Parag Jitendra Dalal	627,200	6.84	627,200	9.08
Nilam Anjaria	364,602	3.97	364,602	5.28

11.3 The Company has allotted 22,65,000 equity shares of ₹ 10 each at a premium of ₹ 10 per share on a Preferential basis on September 29, 2018 against the warrants converted by the holders.

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

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

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

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
12 OTHER EQUITY		
Securities premium account	325.00	98.50
General reserve	190.46	190.46
Retained earnings	1,750.91	1,233.84
Money received against share warrants	-	113.25
Other comprehensive income	6.40	4.21
Total	2,272.77	1,640.25

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
The movement in other Equity:		
(a) Securities premium account		
As per last Balance Sheet	98.50	45.50
Add : Premium on shares issued during the year	226.50	53.00
Total	325.00	98.50
(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	1,233.84	1,024.27
Add: Profit for the year	517.07	209.56
	1,750.91	1,233.84
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	339.75	79.50
	453.00	219.25
Less : Issue of Shares	226.50	53.00
Less : Transfer to Securities Premium Account	226.50	53.00
	-	113.25
(The Company has allotted 22,65,000 equity shares of Rs. 10/- each issued at premium of Rs.10/- (Previous year 530,000 equity shares of Rs 10 each at a premium of Rs 10 per share) issued 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	2,266.37	1,636.05
(e) Accumulated other comprehensive income		
Balance at the beginning of the year	4.21	1.01
Add : Movement during the year	2.19	3.20
Balance at the end of the year	6.40	4.21
Total other Equity	2,272.77	1,640.25

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
13 NON-CURRENT BORROWINGS		
Secured		
Term Loans		
From Banks	23.16	14.55
From Others	7.18	35.15
Total	30.34	49.70

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

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

13.2 Other Details

	Particulars	Security Coverd	Date of Maturity	Number of Installments Due	Applicable Rate of Interest
A	From Banks				
	ICICI Bank Ltd	Motor Car	1-Jul.-21	16.00	9.36%
	Yes Bank	Motor Car	15-Oct.-22	30.00	8.78%
B	From Others				
	Non Banking Financial Company				
	BMW India Financial Services Pvt Limited	Motor Car	1-Dec.-20	9.00	9.25%

14 LONG TERM PROVISIONS

Provision for employee benefits:

Provision for other defined benefit plans

Gratuity (Refer Note 28.2)

Leave Encashment

65.74

48.24

26.66

20.23

Total

92.40

68.47

15 DEFERRED TAX LIABILITY NET**(a) Amounts recognized in profit and loss**Current tax expense **(A)**

In respect of current year

238.22

105.38

Deferred tax expense **(B)**

In respect of current year

(16.29)

(9.54)

Adjustments for earlier years **(C)**

-

-

Tax expense recognized in the income statement (A+B+C)

221.93

95.84

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(b) Amounts recognized in other comprehensive income

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2019			For the year ended 31 st March, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	1.28	(0.46)	0.82	4.96	(1.38)	3.58
	1.28	(0.46)	0.82	4.96	(1.38)	3.58

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2019		For the year ended 31 st March, 2018	
	%	Amount	%	Amount
Profit before tax		739.00		209.56
Tax using the Company's domestic tax rate	0.30	221.93	0.31	95.53
Tax effect of:				
Disallowable expenses	0.07	16.27	0.00	0.32
Income / Expenses not considered in Income Tax Act	-	-	-	-
Other non deductible differences	-	-	-	-
	0.37	238.20	0.31	95.84
Adjustments for earlier years	-	-	(0.05)	(9.54)
Effective income tax rate	0.37	238.20	0.27	86.31

(d) Movement in deferred tax

Particulars	Net balance April 1, 2018	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	As at 31 st March, 2019		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(39.79)	6.04	-	-	(33.75)	-	33.75
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	13.42	10.25	(0.46)	-	23.21	23.21	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency monetary item translation difference account	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(26.37)	16.29	(0.46)	-	(10.55)	23.21	33.75

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Net balance April 1, 2017	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	As at 31 st March, 2018		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(47.87)	8.08	-	-	(39.79)	-	39.79
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	13.34	1.46	(1.38)	-	13.42	13.42	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency monetary item translation difference account	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(34.53)	9.54	(1.38)	-	(26.37)	13.42	39.79

Particulars	As at 31 March, 2019	As at 31 March, 2018
16 OTHER NON CURRENT LIABILITIES		
Other Payables*	6.93	6.93
Total	6.93	6.93

* Includes sta dues.

17 Short Term Borrowings		
Secured		
Working Capital Loans :		
From Banks	3,462.91	3,479.55
Total	3,462.91	3,479.55

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

18 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	9.60	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,702.37	588.69
Total	2,711.97	588.69

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 :

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Principal amount due and remaining unpaid	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.

19 OTHER FINANCIAL LIABILITIES

Current maturities of long-term debt	49.96	17.88
Total	<u>49.96</u>	<u>17.88</u>

20 OTHER CURRENT LIABILITIES

Other Payables*	337.64	395.00
Total	<u>337.64</u>	<u>395.00</u>

* includes statutory dues and others

21 REVENUE FROM OPERATIONS

Revenue from Information Technology Products	31,072.94	21,377.20
Total	<u>31,072.94</u>	<u>21,377.20</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	30,371.88	21,069.54
Singapore (1)	701.05	307.66
Total	<u>31,072.94</u>	<u>21,377.20</u>

(1) Related to operations in the Singapore

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
c) Reconciliation between revenue with customers and contracted price:		
Revenue as per contracted price	31,485.96	21,452.13
Less: Adjustements		
Sales return	(413.02)	(74.93)
Revenue from contracts with Customers	31,072.94	21,377.20
d) Contract balances		
The following table provides information about receivables from contracts with customers:		
Trade receivables	5,961.44	3,953.71
Allowance as per Expected credit loss model	-	-
Total	5,961.44	3,953.71
Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
22 OTHER INCOME		
Interest income	117.35	83.30
Other Non-Operating Income	0.53	-
Total	117.88	83.30
23 PURCHASES OF STOCK-IN-TRADE		
Purchases of Information Technology Products (Previous year : Net of Transitional Credit of Excise Duty on opening stock Rs. 164.64 Lakhs on Transition to Goods & Services Tax)	26,977.08	18,558.43
Total	26,977.08	18,558.43
24 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at close		
Stock-in-Trade	1,679.15	1,380.78
	1,679.15	1,380.78
Inventories at commencement		
Stock-in-Trade	1,380.78	919.32
	1,380.78	919.32
Total	(298.37)	(461.46)
25 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,259.66	1,913.42
Contributions to provident and other funds	146.40	133.27
Total	2,406.06	2,046.68
26 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	500.50	346.64
b) Other interest cost		
Others	14.99	7.42
	515.49	354.06

Notes forming part of the consolidated financial statements for the financial year ended 31st March, 2019

27 OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Electricity Expenses	10.49	10.72
Rent	79.99	69.12
Communication Expenses	33.05	23.13
Auditors Remuneration	7.60	5.85
Sta Welfare Expenses	42.38	30.89
Bank Charges	87.90	36.09
Conveyance And Travelling Expenses	238.88	172.92
Insurance Charges	10.15	7.10
Legal & Professional Charges	93.14	51.49
Membership & Subscription	3.13	3.60
Miscellaneous Expenses	26.46	31.71
Motor Car Expenses	4.69	6.02
Printing & Stationary Expenses	10.59	18.18
Rates & Taxes	15.45	17.76
Repairs & Maintenance -Building	2.76	4.31
Repairs & Maintenance - Others	3.90	10.63
Sales Promotion Expenses	20.58	14.00
Transportation Charges	88.24	67.75
Total	779.37	581.28

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Additional Information to the financial statements

28.1. Earnings per share (EPS)

Particulars	Units	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit after Tax	(₹/lakhs)	517.07	209.56
Weighted Number of Equity Shares	Nos. Lakhs	80.56	65.05
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	6.42	3.22
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	6.42	2.28

28.2. 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	2019	2018
		Amount (₹)	Amount (₹)
I.	Assumptions :		
	Discount Rate	7.64%	7.66%
	Salary escalation rate	4.50%	3.00%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	48.24	38.35
	Current Service Cost	17.04	9.88
	Balance	65.28	48.24
	Liability at the end of the year	65.28	48.24
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	65.28	48.24
	Difference	-	-
	Amount Recognized in the Balance Sheet	65.28	48.24
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	17.04	9.88
	Expense Recognized in P&L	17.04	9.88
V.	Expenses Recognized in the OCI :		
	Current Service Cost	1.28	4.96
	Expense Recognized in P&L	1.28	4.96

Maturity Analysis of the Benefit Payments:

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	31/03/2019	31/03/2018
1 st Following Year	3.84	3.25
2 nd Following Year	1.97	1.51
3 rd Following Year	2.12	1.68
4 th Following Year	2.44	1.85
5 th Following Year	2.58	2.32
Sum of Years 6 To 10	19.73	14.11
Sum of Years 11 and above	198.26	149.47

Sensitivity Analysis

	31/03/2019	31/03/2018
Projected Benefit Obligation on Current Assumptions	66.56	48.24
Delta Effect of +1% Change in Rate of Discounting	(7.91)	(5.57)
Delta Effect of -1% Change in Rate of Discounting	9.57	6.76
Delta Effect of +1% Change in Rate of Salary Increase	9.78	7.04
Delta Effect of -1% Change in Rate of Salary Increase	(8.19)	(5.86)
Delta Effect of +1% Change in Rate of Employee Turnover	2.72	3.43
Delta Effect of -1% Change in Rate of Employee Turnover	(3.23)	(4.08)

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.

28.3 Related Party Disclosures

- a. The names of related parties and the nature of relationship are as under:
- (i) Entities in which Directors are interested
 - S. P. Corporation
 - Trigem Infosolutions Limited
 - (ii) 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	2019 (₹ Lakhs)	2018 (₹ Lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	2.76	4.23
Mr. Shirish M. Anjaria	Remuneration	21.00	21.00
Mr. Parag J. Dalal	Remuneration	18.00	18.00
Mr. Dharmesh S. Anjaria	Remuneration	18.00	18.00
Mr. Ravishankar Singh	Remuneration	1.13	1.13

Notes :

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

28.4. Segment Information

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

28.5. Contingent Liabilities

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

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (₹ Lakhs)
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

- b) Guarantees given by the company's bankers ₹ 2906.06 lakhs (previous year ₹ 1500.61 lakhs)

28.6. Financial instruments

A. Capital Management :

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 13, 17 and 19) and total equity of the Company.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current borrowings	30.34	49.70
Current maturities of non-current Borrowings	49.96	17.88
Current borrowings	3,462.91	3,479.55
Total Debt	3,543.21	3,547.13
Equity	3,190.08	2,331.06
Net debt to equity ratio	1.11	1.52

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, 2019	As at 31 st March, 2018
<u>Financial Assets</u>		
Measured at amortised cost		
Trade receivables	5961.44	3,953.71
Cash and cash equivalents	790.50	712.39
Bank balances other than above	1,082.43	200.14
Loans	16.82	9.99
Other Financial Assets	27.15	311.52
Designated at fair value through other comprehensive income		
Investments in equity shares	0.89	0.89
Total	7,879.24	5,188.64
<u>Financial Liabilities</u>		
Measured at amortised cost		
Long-Term Borrowings	30.34	49.70
Short-Term Borrowings	3,462.91	3,479.55
Trade Payables	2,711.97	588.69
Other Financial Liabilities	49.96	17.88
Total	6,255.17	4,135.83

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)					
		Fair value measurement using			
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
	Date of valuation	Total			
Financial Assets Fair value through Other Comprehensive Income					
Investments in quoted - equity instrument					
	31-Mar-19	0.89	0.38	-	0.51
	31-Mar-18	0.89	0.38	-	0.51

There have been no transfers between levels during the period.

Investment in quoted equity instrument are valued based on the quoted prices available in the market as at the reporting date.

Investments in Unquoted Equity Shares i.e. Level 3 fair value measurement are valued at carrying cost since amounts are not materials. Investments in unquoted equity shares are made in banks as part of mandatory requirements for obtaining finances from the financing bank.

The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values:

(₹ in Lakhs)

Particulars	Total	FVTOCI financial investments
Balance as at 31 st March, 2017	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31 March, 2018	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31 March, 2019	0.51	0.51

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

28.7 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, 2019	As at 31 st March, 2018
0-180 days	5,837.95	3,794.68
181-365 days	99.76	111.56
Above 365 days	23.73	47.47
Total	5,961.44	3,953.71

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 2019			
Borrowings	3,462.91	3,462.91	-
Trade Payables	2711.97	2711.97	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	80.30	49.96	30.34
As at 31 March 2018			
Borrowings	3,479.55	3,479.55	-
Trade Payables	588.69	588.69	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	67.58	17.88	49.70

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, 2019	As at 31 st March, 2018
Financial assets		
Trade receivables	330.62	59.41
Net exposure for assets	330.62	59.41
Financial liabilities	-	-
Net exposure for liabilities	-	-
Net exposure (Assets - Liabilities)	330.62	59.41

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, 2019	For the year ended 31 st March, 2018	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
USD	16.53	2.97	(16.53)	(2.97)

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, 2019	For the year ended 31 st March, 2018
Term loans - long term		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	80.30	67.58
Short term borrowings	3,462.91	3,479.55
	3,543.21	3,547.13

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, 2019	For the year ended 31 st March, 2018	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Term loans - long term	-	-	-	-
Short term borrowings	8.66	(8.70)	8.66	(8.70)

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

28.8 Lease Commitments

Operating Lease

The company has taken office premises on lease under cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 79.99 lakhs (Previous year ₹ 69.12 lakhs). The deposit paid in respect of the same is ₹ 29.77 Lakhs (as at 31st March, 2018: ₹ 30.02 lakhs)

The future minimum lease payments and payment profile of cancellable operating leases are as under:

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Not later than one year	71.75	73.69
Later than one year but not later than five years	8.95	65.25
More than five years	-	-
Total	80.70	138.94

28.9 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.	3.66%	116.68	19.04%	98.47	62.69%	1.38	19.23%	99.84

28.10 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

**Place : Mumbai
Date: May 27, 2019**

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN : 00444104

Dharmesh Anjaria
Executive Director
DIN : 00445009

Parag Dalal
Executive Director
DIN : 00409894

Ravishankar Singh
Company Secretary

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN:L72200MH1995PLC093130

78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (West), Mumbai - 400056.

Tel : 022-66889900 • E-mail : investor@dynacons.com • Website : www.dynacons.com

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING ON MONDAY, 30th SEPTEMBER, 2019 at 2.30 P.M.

(To be presented at the entrance)

Mr./Mrs./Miss :

Address :

Folio No. (Physical holding).....DP ID (Demat holding).....

Client ID.....No. of shares held.....

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 24th Annual General Meeting (AGM) of the Company held on Monday, 30th September, 2019, at 02:30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, India or any adjournment thereof.

[Signature of Shareholders/Proxy(s)]

Notes :

1. Shareholder/proxyholder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after filling and affixing their signatures on them.
2. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company atleast 48 hours before the Meeting.

**PROXY FORM
(FORM No. MGT-11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules 2014]

24th ANNUAL GENERAL MEETING ON MONDAY, 30th SEPTEMBER, 2019 at 2.30 P.M.

CIN : L72200MH1995PLC093130
Name of the Company : Dynacons Systems & Solutions Limited
Registered Office : 78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (W), Mumbai - 400056.
Name of the member (s) :
Registered address :
Folio No./Client Id :
DP ID :
E-mail Id :

I/We, being the member (s) of shares of the above named Company, hereby appoint :

1. Name : E-mail Id:
Address :
Signature :or failing him/her
2. Name : E-mail Id:
Address :
Signature :or failing him/her
3. Name : E-mail Id:
Address :
Signature :or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 02:30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description of Resolutions	Assent	Dissent
Ordinary Business:			
1.	Adoption of Audited Balance Sheet and Profit & Loss Account for the financial year ended as at March 31, 2019, the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.		
2.	Appointment of a Director in place of Mr. Parag Dalal (Din no.:00409894), who retires by rotation and, being eligible, offers himself for re-appointment.		

Resolution number	Description of Resolutions	Assent	Dissent
Special Business:			
3.	Re-Appointment of Mr. Shirish Anjaria (Din no.:00444104), as Chairman cum Managing Director of the Company.		
4.	Re-Appointment of Mr. Parag Dalal (Din no.:00409894), as Whole-time Director of the Company.		
5.	Re-Appointment of Mr. Dharmesh Anjaria (Din no.: 00445009), as Whole time Director and Chief Financial Officer of the Company.		

Signed this _____ day of _____ 2019

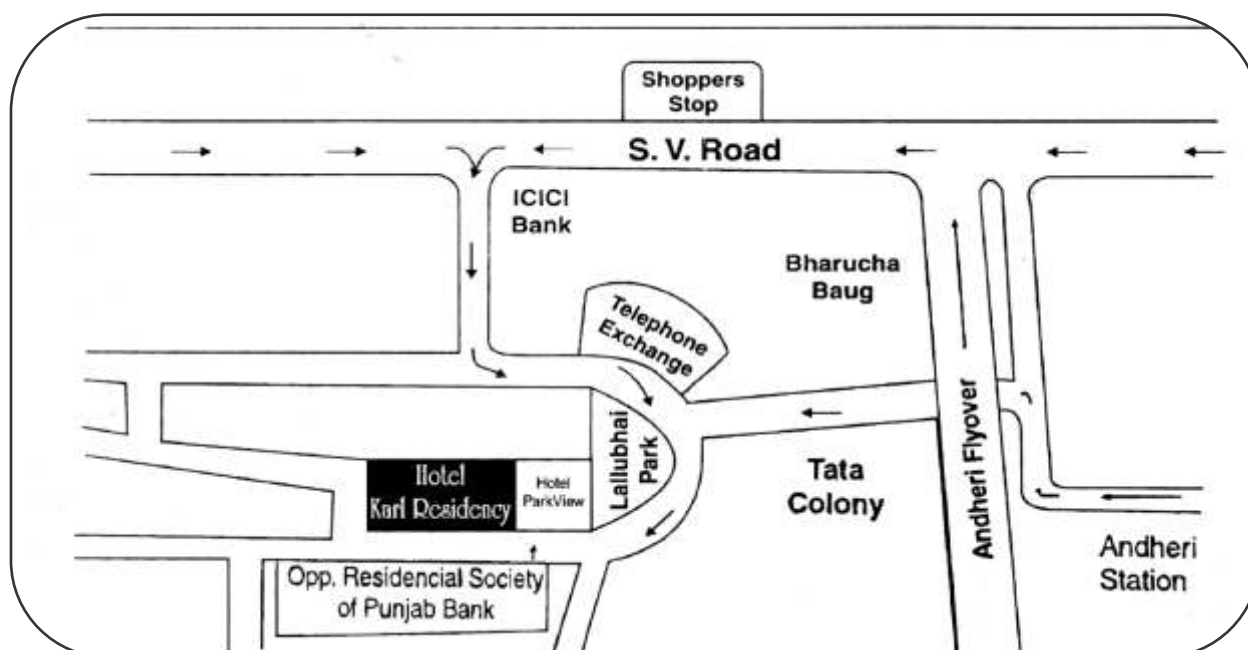
Signature of shareholder.....

Signature of Proxy holder(s).....

**Affix
Revenue
Stamp**

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
3. The proxy need not be a member of the Company and shall provide his/her identity proof such as PAN Card, Aadhar Card at the time of attending AGM.
4. In the case of Joint holders, the signature of any one holder will be sufficient, but names of all joint holders should be stated.
5. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.





GLOBAL DELIVERY & EXECUTION
THROUGH PARTNERSHIPS WITH
GLOBAL PLAYERS

OUR TIE-UPS



DYNACONS OCCUPIES THE
455TH POSITION

WHERE WE STAND

Dynacons occupies the 455th position drawn from far over 10 million active companies in Asia Pacific.



statista 

1000

High-Growth Companies
Asia-Pacific

2018

AWARDS & RECOGNITIONS



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

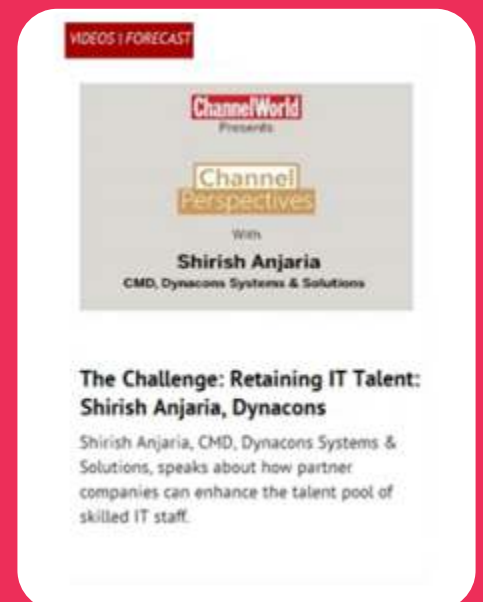
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