



October 4, 2017

BSE Ltd. Corporate Relations Department, 1st 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 2016-2017

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report of the Dynacons Systems & Solutions Ltd for Financial Year 2016-2017.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For Dynacons Systems & Solutions Limited

Ravishankar 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.



DYNACONS
SOLUTIONS THAT EMPOWER



22nd Annual Report 2016-2017



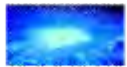
Yester Years...

- Founded in 1995
- Listed since 2000 in BSE & NSE
- ISO 20000-1:2011, ISO 27001:2013, ISO 9001:2008, ISO 14001:2015
- Promoted by Mr. Shirish Anjaria (MD), Mr. Parag Dalal & Mr. Dharmesh Anjaria (Executive Directors)



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 across verticals from banking, Government, Pharmaceuticals, Insurance, Education, Services, manufacturing, HealthCare, Energy, Retail and Telecom.



Technology Driven Business Model

- Breaking linearity in the business model by depending on technology rather than people



Specialty Certifications



ISO 9001:2008



ISO 14001:2015



ISO 20000-1:2011



ISO 27001:2013

India Offices

Ahmedabad

Bangalore

Bhopal

Chennai

Delhi

Goa

Kolkata

Lucknow

Mumbai

Patna

International Operations

Singapore

MULTI- CENTRE SUPPORT

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

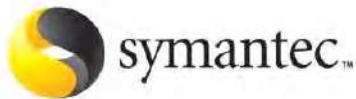
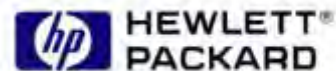


Direct
Presence In
Over
300 Locations
PAN India

Our Tie-ups



**Hewlett Packard
Enterprise**



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
Dena Bank

AUDITORS
Palan & Co.
Chartered Accountants
Mumbai.

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NOTICE

NOTICE is hereby given that the Twenty second Annual General Meeting of the members of Dynacons Systems & Solutions Limited (CIN : L72200MH1995PLC093130) will be held on Friday, 29th Day of September, 2017 at 4.30 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, 2017, 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.
3. To Appoint Statutory Auditors of the Company

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

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and subject to all the applicable laws and regulations, including but not limited to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Audit Committee of the Board, M/s. MSP & Co., Chartered Accountants (Firm Registration No. 107565W), be and are hereby appointed as the Statutory Auditors of the Company in place of retiring Statutory Auditors M/s. Palan & Co., Chartered Accountants (Firm Registration No.133811W), whose term has expired and who shall hold office from the conclusion of this Annual General Meeting for a term of consecutive five years till conclusion of the 27th Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting, .

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to fix such remuneration and the reimbursement of out-of-pocket expenses, if any, as may be determined between the Board of Directors of the Company and the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such necessary acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. Appointment of Mr. Viren Shah (Din no.: 02886221) as an Independent Director:

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

"RESOLVED THAT Mr. Viren Shah (holding Din: 02886221), who was appointed as an Independent Director of the Company by the Board of Directors with effect from 30th September, 2014, in terms of Sections 149, 152 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, appointment of Mr. Viren Shah (who meets the criteria for independence) as provided in Section 149(6) of the Act as an Independent, Non-executive Director of the Company, not liable to retire by rotation, be and is hereby approved for consecutive term of Five years till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2022."

5. Appointment of Mr. Dilip Palicha (Din no.: 02879480) as an Independent Director:

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

"RESOLVED THAT Mr. Dilip Palicha (holding Din: 02879480), who was appointed as an Independent Director of the Company by the Board of Directors with effect from 30th September, 2014, in terms of Sections 149, 152 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director,

appointment of Mr. Dilip Palicha (who meets the criteria for independence) as provided in Section 149(6) of the Act as an Independent, Non-executive Director of the Company, not liable to retire by rotation, be and is hereby approved for consecutive term of Five years till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2022."

6. Borrowing Powers

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

"RESOLVED THAT in supersession of earlier resolution passed with approval of members in general meeting and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) or its Committee as may be authorized by the Board of Directors to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency by way of availing of long/short term loans, commercial papers, by way of issue of bonds/notes and all kinds of financial assistance, secured/unsecured from banking companies, financial institutions, bodies corporate, by way of issue of redeemable non-convertible debentures, subordinated debentures or any other security or instrument(s) on private placement basis as well as by way of public issue by all permissible methods including shelf-disclosure documents, prospectus, shelf-prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, foreign institutional investors, qualified institutional buyers, resident public financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and/or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, by way of acceptance of deposits from public, shareholders, directors, relatives of directors, HUF, resident individuals, Non-resident Indians (through NRO accounts), trusts, firms, corporates or issuance of commercial papers, bonds, any other permissible instruments or methods of borrowing whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge or otherwise of the Company's assets and properties, whether movable or immovable notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount borrowed and outstanding at any point of time shall not exceed Rs. 200 Crores (Rupees Two Hundred Crores Only).

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

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

Date: September 1, 2017
Place: Mumbai

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

Parag J. Dalal
Executive Director
DIN No: 00409894

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

NOTES :

1. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 3 to 6 forms part of this Notice. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings in respect of Director seeking appointment/re-appointment at the Annual General Meeting for Item no. 3, 4 & 5 is furnished as annexure to the Notice.
2. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. 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.
4. 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.
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. 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.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Saturday, the 23rd day of September, 2017 to Friday, the 29th day of September, 2017. (both days inclusive).
7. 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.
8. 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.
9. 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.
10. 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.
11. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents- BSPL. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company.
12. 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.
13. 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.
14. Annual Listing fees for the year 2017-18 has been paid to all stock exchange wherein shares of the Company are listed.
15. 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.
16. The Notice of the AGM along with the Annual Report 2016-17 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 2016-17 will also be available on the Company's website viz. www.dynacons.com.

17. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
18. 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. In case a Member receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company/Depository Participants(s)]:
 - i. Open the e-mail and also open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - v. Password change menu appears. Change the password/PIN with the new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - vii. Once the e-voting home page opens, click on remote e-voting: Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Dyancons Systems & Solutions Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. 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.
 - xiii. 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
 - 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:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. Other Instructions:

- i. The remote e-voting period commences on September 26, 2017 (9:00 am IST) and ends on September 28, 2017 (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 22, 2017, 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 22, 2017, 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 22, 2017.
- 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.
- 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 second AGM of the Company on September 29, 2017 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

Date: September 1, 2017
Place: Mumbai

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

EXPLANATORY STATEMENTS

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 3, 4, 5 & 6 of the accompanying Notice dated September 1, 2017.

ITEM NO. 3

The Members are informed that M/s. Palan & Co., Chartered Accountants, Mumbai, (Registration No. 133811W) are Statutory Auditors of the Company and are retiring at the conclusion of this Annual General Meeting.

As per the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, an audit firm functioning as auditor of the Company for ten years or more after the commencement of provisions of Section 139 (2) of the Act, may be appointed in the same Company for further period of three years from April 01, 2014. As maximum statutory tenure of M/s. Palan & Co., to continue as statutory auditors of the Company is about to end, they have requested not to be considered for reappointment at the conclusion of their present term of appointment, at this Annual General Meeting of the Company, which has been accepted by the Audit Committee and Board of Directors of the Company in their respective meetings held on September 01, 2017.

In view of above, the Board of Directors of the Company on the recommendation of Audit Committee has appointed M/s. MSP & Co., Chartered Accountants, Mumbai, (Registration No. 107565W) as Statutory Auditors of the Company, subject to the approval of the members of the Company at this Annual General Meeting. M/s. MSP & Co., (Registration No. 107565W) being eligible, have indicated their willingness to serve as Statutory Auditors of the Company, if appointed at this Meeting. Their appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of this Annual General Meeting. Further, as required under the provisions of Sections 139 and 141 of the Act, M/s. MSP & Co. have confirmed that their appointment, if made at this Annual General Meeting, shall be in accordance with the provisions of the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the Notice except to the extent of their shareholding in the Company.

The Board of the Directors accordingly recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the members.

ITEM NO. 4

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

Mr. Viren Shah, Non-executive Director of the Company, whose appointment as an Independent Director of the Company w.e.f. 30th September, 2014 for a period of 3 years will expire in the ensuing Annual General Meeting of the Company. The Board recommended to appoint him for one more term of five years. Mr. Viren Shah has given a declaration to the board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Mr. Viren Shah, as an Independent Director of the Company till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2022.

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

A brief profile of Mr. Viren, Shah nature of his expertise in specific functional areas and names of companies in which he hold Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

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

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 4 of the Notice except Mr. Viren Shah.

ITEM NO. 5

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

Mr. Dilip Palicha, Non-executive Director of the Company, whose appointment as an Independent Director of the Company w.e.f. 30th September, 2014 for a period of 3 years will expire in the ensuing Annual General Meeting of the Company. The Board recommended to appoint him for one more term of five years. Mr. Dilip Palicha has given a declaration to the board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the

director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Mr. Dilip Palicha, as an Independent Director of the Company till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2022.

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

A brief profile of Mr. Dilip Palicha, nature of his expertise in specific functional areas and names of companies in which he hold Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

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

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

ITEM NO. 6

Section 180(1) (c) of the Companies Act, 2013, provides that the Board of Directors of a public company shall not, except with the consent of the Company in General Meeting, borrow monies in excess of the Company's paid up share capital and free reserves (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business). Directors are of the view that the business would steadily grow in future as well and as a result of which, the mobilization of funds may substantially increase. Therefore, it is considered desirable to enhance the limit of borrowings to Rs. 200 Crores (Rupees Two Hundred Crores Only) apart from temporary loans obtained/to be obtained by the Company from its bankers in the ordinary course of business.

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

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

The Board of Directors commend passing of the resolution set out in item no. 6 of the Notice.

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

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

Particulars	Mr. Parag Dalal
Director Identification Number (DIN)	00409894
Date of Birth	23/05/1968
Date of Appointment	Since Incorporation
Experience in functional Area	Over 21 years of work experience, in the field of Business, Information Technology, Software Development and Services.
Qualification	Intel certified solution Consultant Digital Electronics post Graduate in Computer Applications.
Directorship in other Companies(Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2016-17
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	
Remuneration Proposed	Upto Rs. 2,50,000/- per month
Remuneration Paid	Rs. 1,50,000/- per month
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the company	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.

Particulars	Mr. Viren Shah	Mr. Dilip Palicha
Director Identification Number (DIN)	02886221	02879480
Date of Birth	23/04/1966	05/11/1947
Date of Appointment	30/09/2014	30/09/2014
Experience in functional Area	Mr. Shah has 24 years of wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration. He is a Post Graduate in Computer and Systems management & holds a Certificate in Oracle/ SQL & RDBMS Concepts.	Mr. Palicha has vast experience in Management and Administration, Insurance, Expertise in Printing Technology & Animation. He is a Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.
Qualification	Advance Post Graduate in Computer and Systems management & hold a Certificate in Oracle/ SQL & RDBMS Concepts.	Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.
Directorship in other Companies(Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2016-17	Please refer Corporate Governance Report section of the Annual Report 2016-17
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		
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.

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

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Date: September 1, 2017
Place: Mumbai

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

Directors Report

Your Directors are pleased to present the Twenty Second Annual Report on the business and operations of the Company for the year ended March 31, 2017.

1. Financial Highlights

(Rs. In Lakhs)

Particulars	Standalone		Consolidated
	Year ended 31/03/2017	Year ended 31/03/2016	Year ended 31/03/2017
Gross Income	15,882.55	12,470.30	15,882.55
Profit Before Interest and Depreciation	487.57	445.69	483.97
Finance Charges	261.24	252.06	261.24
Gross Profit	226.32	193.63	222.73
Provision for Depreciation	60.83	62.24	60.83
Net Profit Before Tax	165.49	131.39	161.90
Provision for Tax	40.81	40.19	40.81
Net Profit After Tax	124.68	91.19	121.08
Balance of Profit brought forward	904.09	812.90	904.09
Balance available for appropriation	1,028.77	904.09	1025.18

2. Management Analysis and Discussions

Company performance:

Your Company delivered a strong performance during 2016-17, with total revenues of Rs. 15882.55 Lakhs as compared with Rs. 12470.30 Lakhs during the previous year, reflecting a growth of 27.36% over the previous year. The profit before tax stood at Rs. 165.49 Lakhs as compared to Rs. 131.39 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 40.81 Lakhs and the profit after tax stood at Rs. 124.68 Lakhs for the current year, an increase of 36.73% over the previous year.

Your Company posted another stellar performance in 2016-17 and continued to maintain its growth momentum. It is worth noting that in a largely fragmented market landscape, your Company has historically grown much faster than the market, driven by significant market share gains on account of a superior execution model. The commitment and passion of a diverse, global employee base helped your Company exhibit strong leadership during this period, against the backdrop of immense volatility in key markets and the world economy.

Industry structure and developments:

In today's complex business environment, many companies face intense competitive pressure and rapidly changing market dynamics, driven by such factors as changes in technology, macroeconomic conditions, and government regulations, globalization and virtualization. Across industries and geographies, companies are looking for innovative ways to adapt their traditional business models, products and services.

Technology is now the underpinning force behind new smart products, customer expectations and the proliferation of behavioral data. As a result, businesses are increasingly becoming technology intensive. In response to these opportunities, many companies are focused on improving efficiencies and enhancing effectiveness while also driving innovation through technology to favorably impact both the bottom-line and the top-line. Many companies are transforming their business, operating and technology models to ensure their businesses stay competitive in this new digital era. At the same time, they continue to view a global sourcing model as an important means to operate more cost-effectively and productively.

Growth drivers for the industry in FY 2017 remained largely the same as in the prior years, which are efficiency spends and transformational spends of customers.

Review of operations:

Your Company is in a growth industry where the demand for technology continues to expand. In earlier decades, IT played a key role in supporting business. The Internet era then saw business strategy being defined by technology strategy. As a result, technology was embedded into business. Today we are entering a new world where technology is now defining what the business can or should do.

Dynacons is an IT System Integrator and Managed services organization offering IT Infrastructure solutions as well as outsourcing services to enterprises Dynacons undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data centre infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi- location infrastructure of domestic clients. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure.

Your Company uses its global 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. 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.

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. The core business portfolio has performed very well with all key segments posting steady growth led by Banking & Financial Services and global customers.

In FY 2017, your Company was the technology partner of choice for many leading corporations in their business transformational and journeys. We have helped standardize the IT operations of a National Telecom operator by providing Managed IT services for their IT Infrastructure. We have helped leading Banks like Reserve Bank of India, Central Bank, UCO Bank etc in their IT Infrastructure augmentation at their various offices and branches across the country.

The key differentiators that enable Dynacons to strategically partner with the Global IT players are our deep contextual knowledge of customers' business models, functions, processes, and systems; our proactive approach to innovation; and our commitment to delivery excellence. At the core of all this is our ability to attract, develop, and retain talent. With technology becoming all pervasive, businesses are increasingly focused on optimizing their IT infrastructure and related operations to deliver enhanced service levels while ensuring quality and security.

The Company has formed a wholly-owned foreign subsidiary named Dynacons Systems & Solutions Pte Ltd. at Singapore on 20th March, 2017 which is carrying on the business of Systems Integration Provider. The Singapore entity will act as a base of the Asia Pacific operations of Dynacons and this will help further grow the business through Asia Pacific. We have received many enquiries for our services and solutions from Singapore, Hong Kong, Australia and Japan.

We provide IT Infrastructure management outsourcing services and have service capability in redundant global operating centers worldwide, through which we provide significant scale, quality and cost savings to our customers. 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. The major services we provide include data center, infrastructure security, network and convergence, end-user computing services and mobility. We also have 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.

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. The Company has deep domain knowledge across industry sectors and technology expertise across traditional and new age technologies.

We have been steadily building solutioning skills as well as solution-selling capabilities, and developing business-focused solutions for customers. This transformation entailed developing a deep contextual understanding of the business need, crafting a technology solution to address that need, and selling a business value proposition to a broader set of stakeholders in the client organization. We have strengthened our business model, and are aggressively investing in and scaling our digital capabilities while driving efficiencies in our core business through increased automation. We tailor our services to specific customer requirements and utilize an integrated delivery model with customer service teams typically based on site at customer locations and delivery teams located at dedicated delivery centers.

The System Integration (SI) segment was one of the main contributors to the revenue growth during the year. Our system integration offerings include consultancy, project management, business continuity planning, contact centre infrastructure, data centers, disaster recovery services, enterprise management, network integration, platform integration, and security infrastructure. Our certified processes and over two decades of service experience are reflected in the success we have achieved in executing projects. The scope of services includes supply of associated equipment and software; On-Site and Remote Support Services for multi-locations for the IT infrastructures. Dynacons has an established nationwide support network to provide multi location multi-platform support for organisations.

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. The Company also achieved enterprise-wide ISO certification for Quality Management (ISO 9001:2015), IT Service Management (ISO 20000-1:2011) and Information Security Management (ISO 27001:2013). Our Service delivery model is built on a strong process-driven and customer-centric system and continues to deliver outstanding value and experience to our customers. We are striving to continually enhance our capabilities for emerging service offerings, new delivery methodologies, industry best practices and latest technologies.

Dynacons has 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. The Company's strategy for longer term growth has been to (a) continually expand its addressable market by investing in newer geographies, newer industry verticals and newer service lines and (b) strengthen and deepen existing client relationships through a customer centric approach, superior execution that gives clients an experience of certainty, a full services capability and as scalable global network delivery model.

Our proven Global Delivery Model, our comprehensive end-to-end solutions, our commitment to superior quality and process execution, our long-standing client relationships, and our ability to scale and to service clients across industries make your Company one of the leading service providers in India.

Strengths

Your company has unique end to end servicing and solution capabilities that differentiate it from the traditional vendors in the market place. The Company provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms. The Company maintains a competitive edge through a wide spectrum of technology skills, including niche areas. The Company's market strategy is to offer the full range of IT services, have presence in all industry segments through a diverse range of products and service offerings, and continue expanding geography presence. The Company is not dependent on any single technology or platform.

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. All of our services and operations are fully aligned with the world's most respected standards and frameworks. Our processes are based on the IT Infrastructure Library (ITIL®) service management framework with a focus on continuous service improvement and customer satisfaction. Your Company has developed and refined its Service Delivery Model to ensure a consistent and controlled service process.

We are 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.

A well-defined and scalable organizational structure based on product, territory and process knowledge, experienced and stable management team, strong relationships with public, private as well as foreign banks, institutions and investors 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. The Company's relentless focus on delivery excellence and customer satisfaction has won the Company multiple awards and recognitions in the marketplace. Your Company has won awards for work undertaken in the Managed Services, Data Centre, Storage and Security domain. These awards are testimony to the commitment of our team for the hard work and dedication which ensures that we deliver an extraordinary experience to our customer.

Quality

Dynacons 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. 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.

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 maintaining 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.

Our customer-centricity, process rigor, and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels. Moving forward your company shall continue to further strengthen its processes by adopting best in class standards.

Outlook

The global business is transitioning to a new age where technology is playing a central role in the growth of every industry by delivering a superior customer experience anytime, anywhere. The power of a business now depends on its ability to manage the transition from process maturity to data maturity. The Internet of Things (IoT) is about capturing data from machines and sensors; cloud is helping make the data available at scale as and when needed; automation and artificial intelligence are helping sift through enormous quantities of data; and analytics is helping derive insights and make useful predictions from that data. Businesses have to change and understand the impact and influence of these technologies.

Indian IT industry would continue its growth path and will weather any volatility in the global economy on the back of strong domestic market which is still largely unserved and has unmet needs. The IT skills supply is marked by some very high levels of skills and cutting edge web technologies. Further, to make sense of voluminous and unstructured data that is increasing exponentially, Smart Enterprises are using Artificial Intelligence technologies for developing machine learning and deep learning capabilities.

With our technology expertise, industry knowledge and strategic insight delivered by an exceptionally skilled and talented workforce, we are well positioned to guide clients through this unprecedented shift. The business opportunity for us is huge, and we are well placed in terms of industry expertise, technology capabilities, customer relationships, people, and execution model to participate in this opportunity and continue to create value for all our stakeholders.

Opportunities and threats

Opportunities:

Analyst forecasts point to a modest acceleration in worldwide IT spend forecasts. A significant part of our innovation effort this year was focused 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. The Government of India has a strong focus on "Digital India" and "Make in India" and "Smart Cities". These initiatives have led to the creation of many opportunities for your company to participate in. Software robots are playing a bigger role in our lives – from algorithmic trading and advisory services in financial markets to mapbots which give us daily driving directions. Additionally, cloud-based models are enabling 'anywhere-anytime-any device' access to data, which is creating a significant shift in business models and enterprise IT, architectures.

Threats:

In the IT industry, the ability to execute projects, build and maintain client partnerships and to achieve forecasted operating and financial results are significantly influenced by the organization's success in hiring, training and retaining highly skilled IT professionals. 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.

Risks and Concerns

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. The Company's objectives and expectations may be forward looking within the meaning of applicable laws and regulations. The competition from large international and Indian IT companies is increasing in the domestic market space. 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.

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. Since providers with new technologies and cloud-enabled delivery models are further adding to the competition. All this making it imperative for the IT service providers to continuously innovate and adapt to the changing buying behavior of their consumers. Actual results may differ materially from those expressed. Important factors that could influence the Company's operations include change in government regulations, tax laws, increased competition, economic and political developments.

Internal control systems and their adequacy

In any industry, the processes and internal control systems play a critical role in the health of the Company. Dynacons Systems & Solutions Limited have a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments. Your Company has an effective internal control and risk mitigation system, which are 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.

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. The company uses RAMCO system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices in the group and industry. 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

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, 2017.

4. 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.

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

During the year under review, Company had offered, issued and allotted 4,55,000 Equity Shares of Rs. 20 each including a premium of Rs. 10 each to promoter & promoter group and issue of 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 as on 31st March, 2017.

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

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

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

During the year under review, Company had incorporated wholly-owned subsidiary at Singapore named "Dynacons Systems & Solutions Pte. Ltd." The same was incorporated on 20th March, 2017 at Singapore with the object to run a business of Information technology solutions and services.

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement of Dynacons Systems & Solutions Pte. Ltd is given as Annexure-V [Performance and financial position of subsidiary Company is included in the consolidated financial statement]

7. Directors and Key Managerial Personnel

Pursuant to Section 149 of the Companies Act, 2013, the Board recommended the appointment of Mr. Viren Shah and Mr. Dilip Palicha, whose term expires on 30th September, 2017, for a period of 5 Years as an Independent Directors of the Company, not liable to retire by rotation from the date of its 22nd Annual General Meeting subject to approval of the Members of the Company. The Directors have given the declaration to the Board that they met the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

On recommendation of Nomination & Remuneration Committee, the Board of Directors in its meeting held on April 26, 2016 and November 11, 2016 had re-appointed Mr. Viren Shah and Mr. Dilip Palicha for a period of Five years, subject to approval of Members.

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 appointments.

Pursuant to the provisions of Section 203 of the Act, the Key managerial personnel of the Company are- Mr. Shirish M. Anjaria, Chairman cum Managing Director, Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria- Whole-time Directors and Mr. Ravi Singh, Company Secretary & Compliance officer of the Company. There has been no change in the key managerial personnel during the year.

8. 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

9. Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Palan & Co., Chartered Accountants, (ICAI Firm Registration No. 133811W) the statutory auditors of the Company, hold office till the conclusion of the 22nd Annual General Meeting of the Company. The Board has recommended the appointment of M/s. MSP & Co., Chartered Accountants, (ICAI Firm Registration No. 107565W) as the statutory auditors of the Company in their place, for a term of five consecutive years, from the conclusion of the 22nd Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of the 27th Annual General Meeting to be held in the year 2022, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

10. 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.

11. Corporate Governance

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.

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.

12. 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.

13. 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.

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

15. 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.

16. 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

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

There are many things that go into creating an empowering environment that values and fosters talent and enables individuals to realize their potential. The Company's various employee engagement platforms and initiatives have resulted in a vibrant, productive and enjoyable work environment.

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes, which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement. The HR processes are continuously evolving and aligning with the changing business requirements. The effort is towards developing competencies in technology, domain and processes to meet customer requirements and help our employees to stay relevant and realise their potential.

A structured approach to career development, leadership development, and mentoring helps employees grow their careers and realize their potential. Investment in human capital by equipping employees with skills – soft skills, design skills, multi-technology skills, and domain skills – has been one of the biggest drivers of value creation. Your Company has made significant progress in reskilling the workforce on newer technologies. The Company's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year. Your Company maintained the momentum during the year implementing Human Resource practices for effective staffing, retention, training and staff development facilitating delivery excellence for our customers. Human Resource departments also strive to offer benefits that will appeal to workers, thus reducing the risk of losing corporate knowledge.

18. 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 2016-17. 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 2016-17 in Form MR-3 is annexed to this report as Annexure-II.

19. 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, 2017 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report, does not contain any qualification, reservation or adverse remark from Secretarial Auditor.

20. Share Capital

The paid up Equity Share Capital of the Company as on 31st March, 2016 was Rs. 5,92,30,800 divided into 59,23,080 Equity shares of Rs. 10/- each which has increased to Rs. 6,37,80,800 divided into 63,78,080 Equity shares of Rs. 10 each as on 31st March, 2017 since the Company has issued & allotted 4,55,000 Equity shares of Rs. 20 each including a premium of Rs. 10 each and 27,95,000 Warrants convertible into Equity shares of Rs. 20 each including a premium of Rs. 10 each through preferential issue.

21. 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.

22. Credit Rating

Your Directors have pleasure to inform that CARE Ratings has assigned CARE BB+ rating to your Company for working capital facilities for a total amount of Rs. 21.00 Crores. CARE has also assigned CARE BB+;Stable/A4+ rating for the Long-term/short term bank facilities of the Company up to Rs. 12.95 Crores. CARE had carried out a credit rating assessment of the Company both for short term and long term bank facilities in compliance with BASEL II norms implemented by Reserve Bank of India for all banking facilities. This enables the Company to access banking services at low costs.

23. 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.

24. 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 and 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.

25. 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, 2017 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. 1122.85 Lakhs (previous year 424.51 Lakhs)

Foreign Exchange Outgo : Rs. 51.93 Lakhs (previous year 31.39 Lakhs)

26. 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.

27. 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.

28. 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.

29. 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.

30. Internal Financial Control System

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 internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

30. Composition of Audit Committee

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

31. 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.

32. 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.

33. 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.

34. Particulars of Employee:

None of the employees have received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

35. 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.

36. 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.

37. Particulars of contracts or arrangements with related parties:

During the year under review, the Company has entered into following related party transactions

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

S. P. Corporation	Firm in which Wholetime Directors have substantial interest.
Shirish M. Anjaria	Chairman cum Managing Director
Parag J. Dalal	Wholetime Director
Dharmesh S. Anjaria	Wholetime Director
Trigem Infosolutions Limited	Company in which Wholetime Directors have substantial interest

- b. The transactions with the related parties are as under :

Party	Nature of Payment	2017 (` /lakhs)	2016 (` /lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	0.60
M/s S.P. Corporation	Reimbursement of Expenses	1.87	2.79

The particulars of every contract or 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 transactions under third proviso thereto have been disclosed in Form No. AOC-2 as Annexure - III.

38. Acknowledgements

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

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

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.: 00409894

Place : Mumbai
Date : September 01, 2017

Annexure I
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017
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, 1ST 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

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1793509	0	1793509	30.28	2083509	0	2248509	35.25	4.97
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	1.21	71475	0	71475	1.12	(0.09)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	165000	0	165000	2.59	2.59

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A)	1864984	0	1864984	31.49	2319984	0	2319984	36.37	4.88
(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)	1864984	0	1864984	31.49	2319984	0	2319984	36.37	4.88
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	320638	0	320638	5.41	285867	0	285867	4.48	(0.93)
ii) Overseas	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-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2917858	42984	2960842	49.99	2906872	42184	2949056	46.24	(3.75)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	655288	0	655288	11.06	740671	0	740671	11.61	(0.07)
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	111921	0	111921	1.89	77413	0	77413	1.21	(0.06)
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	9407	0	9407	0.16	5089	0	5089	0.08	(0.08)
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):-	4015112	42984	4058096	68.51	4015912	42184	4058096	63.63	(4.88)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4015112	42984	4058096	68.51	4015912	42184	4058096	63.63	(4.88)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5880096	42984	5923080	100.00	6335896	42184	6378080	100.00	(0.00)

B) Shareholding of Promoter (including Promoter Group) :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to the total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to the total shares	
1	SHIRISH M. ANJARIA	360948	6.09	0	590948	9.27	0	3.17
2	DHARMESH S. ANJARIA	356220	6.01	0	386220	6.06	0	0.04
3	PARAG J. DALAL	347200	5.86	0	377200	5.91	0	0.05
4	NILAM S. ANJARIA	309602	5.23	0	364602	5.72	0	0.49
5	JIGNA D. ANJARIA	156463	2.64	0	211463	3.32	0	0.67
6	DEVANGI P. DALAL	134640	2.27	0	189640	2.97	0	0.70
7	HASUMATI DALAL	64816	1.09	0	64816	1.02	0	(0.08)
8	SHIRISH M. ANJARIA (H.U.F)	3543	0.06	0	3543	0.06	0	0
9	TRIGEM INFOSOLUTIONS LIMITED	71475	1.21	0	71475	1.12	0	(0.09)
10	PARAG J. DALAL (H.U.F)	60077	1.01	0	60077	0.94	0	(0.07)
		1864984	31.49	0	2319984	36.37	0	4.88

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

SN	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	360948	6.09	360948	6.09
		Increase/ Decrease	230000	3.17	230000	3.17
		At the end of the year	590948	9.27	590948	9.27
2	DHARMESH S. ANJARIA	At the beginning of the year	356220	6.01	356220	6.01
		Increase/ Decrease	30000	0.04	30000	0.04
		At the end of the year	386220	6.06	386220	6.06
3	PARAG J. DALAL	At the beginning of the year	347200	5.86	347200	5.86
		Increase / Decrease	30000	0.05	30000	0.05
		At the end of the year	377200	5.91	377200	5.91
4	NILAM S. ANJARIA	At the beginning of the year	309602	5.23	309602	5.23
		Increase/ Decrease	55000	0.49	55000	0.49
		At the end of the year	364602	5.72	364602	5.72
5	JIGNA D. ANJARIA	At the beginning of the year	156463	2.64	156463	2.64
		Increase/ Decrease	55000	0.67	55000	0.67
		At the end of the year	211463	3.32	211463	3.32
6	DEVANGI P. DALAL	At the beginning of the year	134640	2.27	134640	2.27
		Increase/ Decrease	55000	0.70	55000	0.70
		At the end of the year	189640	2.97	189640	2.97
7	HASUMATI DALAL	At the beginning of the year	64816	1.09	64816	1.09
		Increase/Decrease	0	(0.08)	0	(0.08)
		At the end of the year	64816	1.02	64816	1.02
8	SHIRISH M. ANJARIA (H.U.F)	At the beginning of the year	3543	0.06	3543	0.06
		Increase/ Decrease	0	(0.00)	0	(0.00)
		At the end of the year	3543	0.06	3543	0
9	TRIGEM INFOSOLUTIONS LIMITED	At the beginning of the year	71475	1.21	71475	1.21
		Increase/ Decrease	0	(0.09)	0	(0.09)
		At the end of the year	71475	1.12	71475	1.12
10.	PARAG J. DALAL (H.U.F)	At the beginning of the year	60077	1.01	60077	1.01
		Increase/ Decrease	0	(0.07)	0	(0.07)
		At the end of the year	60077	0.94	60077	0.94

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 1.4.2016		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2017	
		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	SANJAY SOHANLALJI JAIN	75745	1.19	(3500)	0.06	72245	1.13
2	JAGANNATH D DEVADIGA	61933	0.97	874	0.01	62807	0.98
3	VISHAL GIRISHCHANDRA CHAPPER	49349	0.77	-	-	49349	0.77
4	PADAMABEN RAMESHCHANDRA JOSHI	45099	0.71	-	-	45099	0.71
5	MASTERMIND FINANCIAL SERVICES PVT. LTD.	40000	0.63	-	-	40000	0.63
6	KISHORE PRATAPSIKH KAJARIA	38714	0.61	-	-	38714	0.61
7	L.S.E. SECURITIES LTD	38034	0.60	(37266)	0.59	768	0.01
8	SHIVANI MIGLANI	0	0	37839	0.59	37839	0.59
9	RAJSHREE KISHORE KAJARIA	37067	0.58	-	-	37067	0.58
10	KAPIL DEV MOHINDRU	36510	0.57	(12837)	0.20	23673	0.37
11	AJITH P MATHEW	36157	0.57	-	-	36157	0.57
12	SHASHI BHALA	10215	0.16	24921	0.39	35136	0.55

*Note: The above details are given as on 31st March, 2017. The Company is listed and 99.34% shareholding is in dematerialized form. The Company has issued and allotted 4,55,000 Equity shares and 27,50,000 warrants convertible into Equity shares on a preferential basis dated 31.03.2017 and application for listing of Equity shares is pending with BSE Ltd. and National Stock Exchange of India Limited. 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. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year

E) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year as on 1.4.2016		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2017	
		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)	360948	6.09	230000	3.17	590948	9.27
2	Mr. Dharmesh Anjaria (Whole-time director)	356220	6.01	30000	0.04	386220	6.06
3	Mr. Parag Dalal (Whole-time director)	347200	5.86	30000	0.05	377200	5.91
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.
(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2072.22	0	0	2072.22
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2072.22	0	0	2072.22
Change in Indebtedness during the financial year				
* Addition	27.72	0	0	27.72
* Reduction	109.91	0	0	109.91
Net Change	(82.19)	0	0	(82.19)
Indebtedness at the end of the financial year		0	0	
i) Principal Amount	1,990.03	0	0	1,990.03
ii) Interest due but not paid	-	0	0	-
iii) Interest accrued but not due	-	0	0	-
Total (i+ii+iii)	1,990.03	0	0	1,990.03

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

SN.	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	1800600	1140000	1140000	4080600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	29400	660000	660000	1619400
	(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	
	Total (A)	2100000	1800000	1800000	5700000
	Ceiling as per the Act	2400000	2400000	2400000	7200000

B. REMUNERATION TO OTHER DIRECTORS- Sitting fees

The details of sitting fees/remuneration paid to the Directors during the year 2016-2017 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

During the year 2016-2017, 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.

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

SN	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	55000	0	55000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	58400	0	58400
	(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	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	113400	0	113400

* Mr. Shirish M. Anjaria is the Chairman cum Managing Director & CEO of the Company and thus, CEO's Salary is shown in para XIA of the form as salary of Chairman cum Managing Director & CEO.

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

XII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

Annexure II to the Directors' Reports
Form No. MR-3

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To,
The Members,
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, 2017 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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 except for the matter listed below;
- (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;
 - © 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 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 has 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 has made an adequate reply to SEBI and the matter is pending for a hearing.

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 fee paid by the Company for delay in filing of the necessary e-Forms with the Ministry of Corporate Affairs).

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

Date: September 1, 2017
Place: Mumbai

Annexure A

The Members,
 Dynacons Systems and 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

Date: September 1, 2017
 Place: Mumbai

Annexure III to the Directors' Reports
 FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.
 There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.
2. Details of contracts or arrangements or transactions at Arm's length basis.
 The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 are as follows :

Name of related party	Nature of relationship	Duration of contract	Salient terms	Amount (In lakh) Advance
M/s. S.P. Corporation	Firm in which Whole-time directors have substantial interest	5 Years	As per Agreement	Nil

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	38.53
Parag Dalal	33.03
Dharmesh Anjaria	33.03

- (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	102%
Parag Dalal	36%
Dharmesh Anjaria	36%

- © The percentage increase in the median remuneration of employees in the financial year : (2.49%)

Note : Percentage in bracket represents negative percentage.

- (d) The number of permanent employees on the rolls of company : 1031

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

On an average, employees received an increase of 20%. 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	Rs. In lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2016-17 (aggregated)	58.13
Revenue from operations	15,829.02
Remuneration (as % of revenue)	0.37%
Profit before tax (PBT)	165.49
Remuneration (as % of PBT)	35%

- (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 31st March, 2017	As at 31st March, 2016	variation %
Closing rate of share at BSE	`	19.00	13.5	40.74
Closing rate of share at NSE	`	19.10	14.25	34.04
EPS(consolidated)	`	2.04	1.54	32.47
Market capitalization	`/Lakhs			
BSE		1212	799.62	51.55
NSE		1218	844.04	44.33
Price Earnings Ratio	Ratio			
BSE		9.31	8.77	6.20
NSE		9.36	9.26	1.11

- (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 2015-16 was 20%. Percentage increase in the managerial remuneration for the year was 58%

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

Particulars	Chief Executive Officer	Chief Executive Officer	Company Secretary
	Rs. /Lac	Rs./Lac	Rs./Lac
Remuneration	21.00	18.00	1.13
Revenue from operations	15,829.02	15,829.02	15,829.02
Remuneration (as % of revenue)	0.13%	0.11%	0.1%
Profit before Tax (PBT)	165.49	165.49	165.49
Remuneration (as % of PBT)	13%	11%	1%

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

No Variable Component in the Remuneration availed by Directors

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

Not applicable.

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

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

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

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;- Not Applicable to the Company
- 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 five lakh rupees per month;- Not Applicable to the Company
- 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 : September 01, 2017

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 SGD:

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	SGD
4.	Share capital	10750
5.	Reserves & surplus	(7750)
6.	Total assets	3000
7.	Total Liabilities	3000
8.	Investments	0
9.	Turnover	0
10.	Loss before taxation	(7750)
11.	Provision for taxation	0
12.	Profit after taxation	(7750)
13.	Proposed Dividend	0
14.	% of shareholding of holding company	100%

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. 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.

COMPOSITION AND CATEGORY

As on March 31, 2017 our Board comprised of SEVEN Directors of whom one is Chairman cum Managing Director, two are Whole time Directors and Four are Non-Executive Directors. All the Four Non- Executive Directors are Independent Directors. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company.

Role of Board of Directors

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

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

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

The Company has an Executive Chairman and the number of Independent Directors is 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.

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

Note: # Memberships/Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee of Indian public limited companies have been considered.

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 2016-17, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board s Meeting Attended	No. of other Directorships	No. of membership/ chairmanship of other Committee
Mr. Shirish M. Anjaria	Chairman cum Managing Director	Yes	12	1	0
Mr. Parag J. Dalal	Executive & Whole-time Director	Yes	11	0	0
Mr. Dharmesh S. Anjaria	Executive & Whole-time Director	Yes	11	0	0
Mr. Dilip P. Palicha	Non- Executive & Independent Director	Yes	8	0	1
Mr. Viren C. Shah	Non- Executive & Independent Director	Yes	9	2	1
Mr. Jitesh J. Jain	Non- Executive & Independent Director	Yes	9	6	1
Mrs. Archana V. Phadke	Non- Executive & Independent Director	Yes	7	0	0

Twelve Board Meetings were held during the year 2016-2017. The Board Meetings are held at the Registered Office of the Company.

The dates on which the Board Meetings were held are as follows:

April 26, 2016, June 29, 2016, August 12, 2016, September 01, 2016, October 26, 2016, November 11, 2016, December 22, 2016, February 14, 2017, February 21, 2017, March 02, 2017, March 28, 2017 and March 31, 2017.

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

3. AUDIT COMMITTEE

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 complies with the provisions of Section 177 of the Companies Act, 2013, as well with the provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to the Audit Committee and its functioning. The members of the Audit Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mr. Jitesh Jain	Non-Executive & Independent Director	11
Mr. Viren Shah	Non-Executive & Independent Director	10
Mr. Dilip Palicha	Non-Executive & Independent Director	9

The Committee is presently chaired by Mr. Jitesh Jain, Chartered Accountant. Mr. Jain is a senior Chartered Accountant with more than a decades of varied experience in the fields of Bank, Government and Corporate Audits, Project Preparation and Reporting, Management Consultancy and Finance. A dynamic professional of multi-faced experience in Banking industry in the key areas of General banking, Credit operation, Export Credit Finance, Treasury & International Banking Operations

consisting of International division and Funds & Investment of domestic treasury and Investment, Risk Management Operations, Client Relationship Management, Team Management, HR Policy, Internal Risk Management policy, Information & Technology Policy etc. Based on his experience, he was appointed as a Chairman of Audit Committee meeting.

The Audit Committee met Twelve times during the financial year 2016-2017 on the following dates: April 26, 2016, June 29, 2016, August 12, 2016, September 01, 2016, October 26, 2016, November 11, 2016, December 22, 2016, February 14, 2017, February 21, 2017, March 02, 2017, March 28, 2017 and March 31, 2017.

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 and removal of statutory auditor, fixation of audit fees and also approval of payment of any other services.
- 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.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.

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 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).

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.

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

Details of Remuneration to the Executive Directors for the year ended March 31, 2017

Name of 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.

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	3
Mr. Jitesh Jain	Non-Executive & Independent Director	3
Mrs. Archana Phadke	Non-Executive & Independent Director	3

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

During the year under review, 16 complaints were received from shareholders/investors of which 4 complaints were unreplied/unresolved as on 31.03.2017, but the same were replied/resolved in the following month to the satisfaction of the investors. The numbers of pending share transfers as on March 31, 2017 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.

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 2, 2017, 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. 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.

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

During the year 2016-2017, 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 during the year 2016-2017 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:-

- 21st AGM : September 30, 2016 at 4.30 P.M., at 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

Special resolution passed or proposed to be passed by Postal Ballot : 0

- 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.
- 20th AGM : September 30, 2015 at 2.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.
Number of Special Resolutions passed: 2
Details of Special Resolution are as follows:
 - 1) Adoption of new set of Articles of Association of the Company
Special resolution passed or proposed to be passed by Postal Ballot : 0
- 19th AGM : September 30, 2014 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai - 400058.
Number of Special Resolutions passed: Nil
Special resolution passed or proposed to be passed by Postal Ballot : 0

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. 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.

15. DISCLOSURES

- a) Materially significant related party transactions i.e. transactions of the company of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large : None

- 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.

- c) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

- d) Proceeds from public issues, right issues, preferential issues etc.

The Company had issued 4,55,000 Equity Shares of Rs. 20 each including a premium of Rs. 10 each through preferential basis and shares were offered, issued and allotted to promoter and promoter group and 27,95,000 Warrants convertible into Equity of Rs. 20 each including a premium of Rs. 10 each were offered, issued and allotted to promoter, promoter group and others during the year under review.

- e) Management Discussion and Analysis Report

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

- f) 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: Notice under Rule 4 of Securities and Exchange Board of India(Procedure for holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter of Dynacons Technologies Limited was issued by SEBI dated 15th March, 2017 on the Company as well as on all the promoters and promoter group of the Company 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 for which the board has made adequate reply to SEBI.

"The Company has 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 has made an adequate reply to SEBI and the matter is pending for a hearing." and remove "Notice under Rule 4 of Securities and Exchange Board of India(Procedure for holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter of Dynacons Technologies Limited was issued by SEBI dated 15th March, 2017 on the Company as well as on all the promoters and promoter group of the Company 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 for which the board has made adequate reply to SEBI"

- g) 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 Company has issued and allotted 4,55,000 Equity shares and 27,50,000 warrants convertible into Equity shares on a preferential basis dated 31.03.2017 and application for listing of Equity shares is pending with BSE Ltd. and National Stock Exchange of India Limited. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- h) The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically as per guidelines of SEBI / Stock Exchange.
- i) The Company has established a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.
- j) Shareholders
- (i) The Company has sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.
- (ii) Mr. Parag Dalal is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (iii) Pursuant to Section 149 of the Companies Act, 2013, Mr. Viren Shah and Mr. Dilip Palicha whose term expires in the ensuing Annual General Meeting (AGM) of 2017, the Board recommended their re-appointment for a period of 5 years as Non-executive, Independent Directors of the Company, not liable to retire by rotation from the date of its 22nd AGM till 27th AGM, subject to approval of the Members of the Company. The Directors have given the declaration to the Board that they met the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013. Their brief profile is published in the Annual Report.
- k) 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.

16. POLICY FOR PROHIBITION OF INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code for Prohibition of Insider Trading for Directors/Designated persons of the Company, relating to dealings by them in the securities of the Company. The Code also provides for periodical disclosures from Directors/ Designated persons as well as pre-clearance of transactions by such persons, whenever required.

17. CEO & CFO Certification

The Managing Director of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms SEBI Listing Regulations, 2015.

18. 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 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.

19. MEANS OF COMMUNICATION

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 and local language newspapers. 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.

20. GENERAL SHAREHOLDER INFORMATION

20.1 Annual General Meeting:-

Date and Time	September 29, 2017 at 04.30 P.M
Venue	Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058

20.2 Financial Calendar: - (Tentative)

Financial Reporting for quarter ending: -

- June 30	Second week of August
- September 30	Second week of November
- December 31	Second week of February
- March 31	Second week of May
- Annual Results	End of May

20.3 Book Closure Date

September 23, 2017 to September 29, 2017 (Both days inclusive)

20.4 Dividend Payment Date

N.A.

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

Name	Code Nos.
The Bombay Stock Exchange Ltd., Mumbai	532365
The National Stock Exchange of India Ltd.	DSSL
(b) Listing of Global Depository Receipts	N. A.
(c) Demat ISIN numbers in NSDL & CDSL	INE417B01040

(d) Annual listing fees for the year 2017-2018 have been duly paid to all the above Stock Exchanges.

20.6 Stock Market Data

Month	Bombay Stock Exchange (BSE) (in `)		National Stock Exchange (NSE) (in `)	
	Month's high Price	Month's low Price	Month's high Price	Month's low Price
April 2016	15.00	12.40	14.80	11.05
May 2016	14.60	12.05	15.50	11.35
June 2016	12.65	11.00	12.10	11.00
July 2016	12.80	10.35	12.10	10.30
Aug 2016	12.62	09.61	11.45	09.05
Sep 2016	13.40	10.01	13.30	10.20
Oct 2016	26.79	11.65	25.65	11.40
Nov 2016	24.30	14.00	24.50	14.50
Dec 2016	18.90	13.40	18.25	13.30
Jan 2017	20.60	14.65	25.65	09.05
Feb 2017	19.95	16.60	25.65	09.05
Mar 2017	20.45	16.50	19.55	16.10

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

20.8 Share Transfer System-

The Company's shares are traded on the Stock Exchanges compulsorily in Demat mode. The Company has issued and allotted 4,55,000 Equity shares and 27,50,000 warrants convertible into Equity shares on a preferential basis dated 31.03.2017 and application for listing of Equity shares is pending with BSE Ltd. and National Stock Exchange of India Limited. 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 online.

20.9 Distribution of Shareholding as on March 31, 2017

No. of Equity Shares	No of Folios	% of Total	Total Holding in Rupees	% of Total
1-5000	12012	90.86	12599900	19.76
5001-10000	644	4.87	4956260	7.77
10001-20000	276	2.09	4172740	6.54
20001-30000	85	0.64	2155810	3.38
30001-40000	57	0.43	2052770	3.22
40001-50000	30	0.23	1378090	2.16
50001-100000	57	0.43	3999650	6.27
100001-999999999	60	0.45	32465580	50.90
Total	13221	100.00	63780800	100.00

20.10 Shareholding of Directors

Sr. No	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	590948	9.27
2.	Mr. Dharmesh Anjaria	386220	6.06
3.	Mr. Parag Dalal	377200	5.91
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

20.11 Dematerialization of Shares as on March 31, 2017

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
63,78,080	497184	7.80%	5880896	92.20%

Note : The Company has issued and allotted 4,55,000 Equity shares and 27,50,000 warrants convertible into Equity shares on a preferential basis dated 31.03.2017 and application for listing of Equity shares is pending with BSE Ltd. and National Stock Exchange of India Limited.

20.12 Shareholding Pattern as on March 31, 2017

Category	No of Shares held	Percentage of Shareholding
Clearing Member	5089	0.08%
Corporate Bodies	285867	4.48%
Corporate Bodies (Promoter Company)	71475	1.12%
Non Resident Indians	77413	1.21%
Promoters/Directors	1417988	22.23%
Public	3689727	57.85%
Relative of Director	830521	13.03%
Total	6378080	100.00%

20.13 Capital of the Company : The authorized and paid-up capital of your Company is Rs. 300,000,000 and Rs. 63,780,800 respectively.

20.14 Outstanding GDRs /ADRs : N .A.

20.15 Compliance Officer : Mr. Ravishankar Singh

20.16 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

20.17 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.

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 Anjaria
Chairman cum Managing Director
DIN : 00444104

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

Place : Mumbai
Date : May 11, 2017

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

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2017.

For Dynacons Systems & Solutions Ltd.

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place : Mumbai
Date : May 11, 2017

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, 2017 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')

1. 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.
2. 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.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2017.

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 Palan & Co.
Firm Regn. No. : 133811W
Chartered Accountants

C. K. PALAN
Proprietor
Membership No: 100741

Place : Mumbai
Date : May 11, 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of DYNACONS SYSTEMS & SOLUTIONS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit.

- b. in our opinion proper books of account relating to preparation of the standalone financial statements 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purposes of preparation of the standalone financial statements.
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act as applicable;
- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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". Our report express and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, 2015 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its standalone financial position in its financial statement.
 - ii. The Company has long term contracts as at March 31, 2017 for which there are no material foreseeable losses. The Company does not have any derivative contracts as at March 31, 2017.
 - iii. There was no amount required to be transferred to the investors Education and protection fund by the Company during the year ended March 31, 2017.
 - iv. the Company has provided requisite disclosures in its standalone financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note No. 24.11 to the standalone financial statements.

For PALAN & CO.
Chartered Accountants
Firm Regn. No. : 133811W

Chandrabhas K. Palan
Proprietor
M. No. 100741

Place : Mumbai
Date : May 11, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
DYNACONS SYSTEMS & SOLUTIONS LIMITED

ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The Fixed Assets have been physically verified by the Management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c. The Company does not own any immovable properties, hence the clause 1 (c) of the Order are not applicable to the Company and hence not commented upon.
2. a. The management has conducted the physical verification of inventory at reasonable intervals.
- b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
4. The Company has not granted any loans or made investments or given loans or guarantees or security to the parties covered under Section 185 & 186 of the Companies Act, 2013.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- b. Details of dues of Income Tax, and Value Added Tax which have not been deposited as at March 31, 2017 on account of dispute are given below

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (` lakhs)
Income Tax	AY 2012-13	Deputy Commissioner of Income Appeals	6.11
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or Non Banking Financial Companies. The Company does not have any loans or borrowings from governments and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Term Loans for the purposes of acquiring Vehicles were applied for the purposes for which those are raised.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company has made preferential allotment of shares during the year under review. Based upon the audit procedures performed and the information and explanations 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 purposes for which the funds were raised.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of the Board of Directors

For PALAN & CO.
Chartered Accountants
Firm Regn. No. : 133811W

Chandrabhas K. Palan
Proprietor
M. No. 100741

Place : Mumbai
Date : May 11, 2017

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of
DYNACONS SYSTEMS & SOLUTIONS LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2017 in conjunction with our audit of the standalone 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. 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 authorisations 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 the explanations 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, 2017, 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.

For PALAN & CO.
Chartered Accountants
Firm Regn. No. : 133811W

Chandrabhas K. Palan
Proprietor
M. No. 100741

Place : Mumbai
Date : May 11, 2017

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2017

(₹ in Lakhs)

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	1	637.81	592.31
	(b) Reserves and Surplus	2	1,264.73	1,094.55
	(c) Money received against share warrants		139.75	-
			<u>2,042.29</u>	<u>1,686.86</u>
2	Non-current liabilities			
	(a) Long-Term Borrowings	3	67.40	63.15
	(b) Deferred Tax Liabilities (Net)	4	34.53	48.47
	(c) Other Long Term Liabilities	5	3.61	7.52
	(d) Long-Term Provisions	6	47.61	30.45
			<u>153.16</u>	<u>149.59</u>
3	Current liabilities			
	(a) Short-Term Borrowings	7	1,922.63	2,009.07
	(b) Trade Payables (includes dues of micro and small enterprises ` Nil (March 31, 2017: ` Nil))	8	791.44	758.79
	(c) Other Current Liabilities	9	486.16	364.95
			<u>3200.23</u>	<u>3132.81</u>
	TOTAL		<u><u>5395.67</u></u>	<u><u>4969.26</u></u>
B	ASSETS			
1	Non-current assets			
	(a) Fixed Assets			
	(i) Tangible Assets		303.07	346.15
	(b) Goodwill on Consolidation	10	6.16	1.11
	(c) Non-Current Investments	11	285.71	292.12
	(d) Long-Term Loans And Advances	12	594.95	639.39
2	Current assets			
	(a) Inventories		919.32	662.06
	(b) Trade receivables	13	2,946.01	3,035.29
	(c) Cash and Bank Balances	14	923.99	625.49
	(d) Short-term loans and advances	15	11.41	7.04
		16	<u>4800.72</u>	<u>4329.87</u>
	TOTAL		<u><u>5395.67</u></u>	<u><u>4969.26</u></u>

Notes on Financial Statements

1-24

As per our report of even date attached

For Palan & Co

Firm Regn. No. : 133811W

Chartered Accountants

C. K. Palan

Proprietor

Membership No: 100741

Place : Mumbai

Date : May 11, 2017

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

Dharmesh Anjaria

Executive Director

Parag Dalal

Executive Director

Ravishankar Singh

Company Secretary

STANDALONE PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2017

(` in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1 INCOME			
(a) Revenue from Operations	17	15,829.02	12,418.19
(b) Other Income	18	53.53	52.10
2 Total Revenue		15,882.55	12,470.30
3 EXPENSES			
(a) Purchases of Stock-In-Trade	19	14,146.55	10,923.64
(b) Changes In Inventories Of Stock-In-Trade	20	(257.27)	82.29
(c) Employee Benefits Expense	21	1,103.76	714.59
(d) Finance Costs	22	261.24	252.06
(e) Depreciation And Amortisation Expense		60.83	62.24
(f) Other Expenses	23	401.93	304.09
4 Total Expenses		15,717.05	12,338.91
5 Profit Before Tax		165.49	131.39
6 Tax Expense:			
(a) Current Tax		54.75	44.00
(b) Deferred Tax		(13.94)	(3.81)
		40.81	40.19
7 Profit for the year		124.68	91.19
8 Earnings per Equity Shares of face value of ` 10 each): Basic And Diluted (In `)		2.10	1.54

Notes on Financial Statements

1-24

As per our report of even date attached

For and on behalf of the Board of Directors

For Palan & Co

Firm Regn. No. : 133811W

Chartered Accountants

C. K. Palan

Proprietor

Membership No: 100741

Place : Mumbai

Date : May 11, 2017

Shirish Anjaria

Chairman cum Managing Director

Dharmesh Anjaria

Executive Director

Parag Dalal

Executive Director

Ravishankar Singh

Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

(₹ in Lakhs)

Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	165.49	131.39
Add : Depreciation	60.83	62.24
(Profit)/Loss on sale of Fixed Assets	11.89	0.00
Finance Costs	261.24	252.06
Dividend received	-	-
	<u>333.97</u>	<u>314.30</u>
Operating profit before working Capital	499.46	445.69
Changes in current assets and liabilities		
Adjustments for (increase) / decrease in operating assets:		
(Increase)/Decrease in Inventories	(257.27)	82.29
(Increase)/Decrease in Trade & Other Receivable	174.43	(1,568.94)
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in Current Liabilities & Provision	112.36	676.03
	<u>29.53</u>	<u>(810.61)</u>
Cash Generated from Operations	528.99	(364.93)
Taxes paid	(83.10)	(57.12)
	<u>445.88</u>	<u>(422.04)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(40.58)	(106.14)
Sale of Fixed Assets	10.93	0.00
Investments	(5.05)	0.00
	<u>(34.70)</u>	<u>(106.14)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	45.50	0.00
Share Premium	45.50	0.00
Money received against share warrants	139.75	0.00
Repayment of long-term borrowings	4.25	47.90
Short-term borrowings (net)	(86.45)	747.50
Interest Paid	(261.24)	(252.06)
	<u>(112.69)</u>	<u>543.35</u>
Net cash From Financing Activities	298.50	15.17
Net Increase in Cash and Cash Equivalents (A+B+C)	625.49	610.32
Cash and Cash Equivalents (Opening Balance)	923.99	625.49
Cash and Cash Equivalents (Closing Balance)	<u>298.50</u>	<u>15.17</u>

Notes

- Components of cash and cash equivalents include bank balances in current account as disclosed under Note 15 of the accounts
- Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS3) "Cash Flow Statement" by The Institute of Chartered Accountants of India.
- Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

As per our report of even date attached

For Palan & Co
Firm Regn. No. : 133811W
Chartered Accountants

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : May 11, 2017

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICIES

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.

SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of accounting

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 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materials.

3. Revenue Recognition

Revenue relating to equipment supplied is recognized on delivery to the customers and acknowledgement thereof, in accordance with the terms of the individual contracts. Revenue from software development on time-and-material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the completion method. Revenue from the sale of software products is recognized when the sale has been completed and the title has been passed to the client. Revenue from Annual Maintenance Contracts and services is recognized over the life of the contracts.

4. 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.

5. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

6. Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

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.

8. Fixed Assets & Intangible Assets

Fixed Assets are stated at their cost less accumulated depreciation. Fixed assets are capitalised at the cost of acquisition including all expenses directly attributable to bringing the asset to its working condition for intended use. Capital Work-in-Progress comprises the costs of fixed assets that are not ready for the intended use at the Balance Sheet date and includes advances paid to acquire fixed assets. No depreciation has been calculated on the same. Fixed Assets which are not in active use and scrapped, due to technological obsolescence or otherwise, are written off. Intangible Assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

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.

10. 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.

11. Inventories

Inventories are valued at the lower of the cost and the net realizable value. A periodic review is made of slow-moving stock and appropriate provisions are made for anticipated losses, if any. Cost is determined using the first-in first-out method.

12. Investments

Trade investments are the investments made to enhance the company's business interests. Investments being long term in nature are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment. Earnings from investments are accounted for on an accrual basis.

13. Foreign Currency transactions

Sales and Expenditure in foreign currency are accounted at the exchange rate prevalent as of the date of the respective transactions. The exchange differences, if any, arising on foreign currency transactions are recognized as income or expense in the year in which they arise. Current Assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent as at the date of the Balance Sheet. The resulting difference is also recorded in the Profit and Loss Account.

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 and losses are recognized in full in the profit & loss account for the period in which they occur. 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.

15. Income Tax

The tax expense for the year comprises of Current Tax and Deferred Tax. Current Taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

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.

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

18. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

19. 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.

20. Impairment

At each Balance Sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and the value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to the present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

21. 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.

22. Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 'Earnings per share'. Basic earnings per equity share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of equity shares during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.

		(` in Lakhs)	
	Particulars	As at 31 March, 2017	As at 31 March, 2016
1	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 :		
	63,78,080 Equity shares of ` 10 each)	637.81	592.31
	(Previous year 59,23,080 Equity shares of ` 10 each)		

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

Particulars	As at 31 March, 2017	As at 31 March, 2016
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	59,23,080	59,23,080
Issued during the year	4,55,000	-
Equity Shares at the end of the year	63,78,080	59,23,080

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

Name of the Shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	5,90,948	9.27	3,60,948	6.09
Dharmesh Shirish Anjaria	3,86,220	6.06	3,56,220	6.01
Parag Jitendra Dalal	3,77,200	5.91	3,47,200	5.86
Nilam Anjaria	3,64,602	5.72	3,09,602	5.22

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

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

1.5 No bonus shares have been issued to equity share holders in last five years.

1.6 No equity share shares been bought back in last five years.

		(` in Lakhs)	
	Particulars	As at 31 March, 2017	As at 31 March, 2016
2	RESERVES & SURPLUS		
	(a) Securities premium account		
	As per last Balance Sheet	-	-
	Add : Premium on shares issued during the year	45.50	-
	Total	45.50	-
	(b) General reserve		
	As per last Balance Sheet	190.46	190.46
	(c) Surplus in Statement of Profit and Loss		
	As per last Balance Sheet	904.09	812.90
	Add: Profit for the year	124.68	91.19
		1,028.77	904.09
	Total	1,264.73	1,094.55

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
3 LONG TERM BORROWINGS		
Secured		
Term Loans		
From Banks	21.02	6.20
From Others	46.38	56.94
Total	67.40	63.15

a) Nature of Security & terms of Repayment of secured borrowing :

3.1 Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company

3.2 Term loans from Other Parties are Secured by way of first mortgage / charge on the Vehicles of the Company

3.3 Other Details

Particulars	Security Covered	Date of Maturity	Number of Installments Due	Applicable Rate of Interest
A From Banks				
ICICI Bank Ltd	Motor Car	Jul-21	40	9.36%
B From Others				
Non Banking Financial Company	Motor Car	Jun-18	2	10.17%
Non Banking Financial Company	Motor Car	Dec-20	33	9.25%
Non Banking Financial Company	Motor Car	Aug-19	17	11.12%

* Includes staff dues.

4 DEFERRED TAX LIABILITY NET

Deferred Tax Liability		
Related to fixed assets	48.47	52.28
Deferred Tax Assets	-	-
Disallowances under the Income Tax Act, 1961	(13.94)	(3.81)
Total	34.53	48.47

5 OTHER LONG TERM LIABILITIES

Other Payables*	3.61	7.52
Total	3.61	7.52

6 LONG TERM PROVISIONS

Provision for employee benefits:		
Provision for other defined benefit plans (Refer Note 22.1)	47.61	30.45
Total	47.61	30.45

7 SHORT TERM BORROWINGS

Secured		
Working Capital Loans :		
From Banks	1,922.63	2,009.07
Total	1,922.63	2,009.07

7.1 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.

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017 (₹ in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
8 TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Others	791.44	758.79
Total	791.44	758.79
9 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt	20.18	14.53
Other Payables*	465.98	350.43
Total	486.16	364.95

* includes statutory dues and others

10 FIXED ASSETS		(₹ in Lakhs)										
Sr. No	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As at 01-04-2016	Addition during the year	Deduction during the year	As at 31-03-2017	As at 01-04-2016	Addition during the year	Adjustments	Deduction during the year	As at 31-03-2017	WDV as on 31-03-2017	WDV as on 31-03-2016
I	<u>Tangible Assets</u>											
1	Furnitures & Fixtures	5.19	2.41	-	7.60	4.99	0.06	-	-	5.06	2.54	0.20
2	Vehicles (Cars)	152.65	38.17	41.74	149.07	36.85	16.03	-	18.91	33.96	115.11	115.80
3	Office Equipment	7.18	-	-	7.18	6.08	0.22	-	-	6.30	0.88	1.10
4	Computer	396.02	-	-	396.02	166.96	44.52	-	-	211.48	184.54	229.06
	Total	561.03	40.58	41.74	559.87	214.88	60.83	-	18.91	256.80	303.07	346.15
	Previous Year	454.90	106.14	-	561.03	152.64	62.24	-	-	214.88	346.15	302.26

11 NON - CURRENT INVESTMENTS

(A) Trade Investments	-	-
(B) Others		
In Equity Shares - Unquoted, fully paid up		
(i) Subsidiary Company		
Dyancons Systems & Solutions PTE Ltd (7678 Equity Shares of US\$ 1/- each)	5.05	-
(ii) Others		
Kapol Co-op Bank Ltd	0.51	0.51
	6	1
In Equity Shares - Quoted, fully paid up		
Dena Bank (2,000 (Previous year 2,000) Equity Shares of ₹ 10 each fully paid up)	0.60	0.60
	0.60	0.60
Total	6.16	1.11
(Market Value of Quoted investments ₹ 0.77 Lakhs (Previous year ₹ 0.58 Lakhs)		
Book value of quoted investments	0.60	0.60
Market value of quoted investments	0.77	0.58
Book value of unquoted investments (net of provision)	5.56	0.51

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
12 LONG TERM LOANS AND ADVANCES (Unsecured and considered good)		
Security deposits	117.06	102.04
Advance income tax (Net of provisions)	162.65	184.09
Other loans and advances	6.00	6.00
Total	285.71	292.12
13 INVENTORIES		
Finished goods (other than those acquired for trading)	919.32	662.06
Stock-in-trade		
Total	919.32	662.06
13.1 Inventories are valued at lower of cost or net realisable value whichever is low		
14 TRADE RECEIVABLES (Unsecured and Considered Good)		
Over six months	166.49	157.24
Other Trade receivables	2,779.51	2,878.05
Total	2,946.01	3,035.29
15 CASH AND BANK BALANCES		
Cash on hand	5.95	11.06
Balances with banks :		
In current accounts	233.36	3.15
Other Bank Balances :		
In deposit accounts	556.97	480.49
In earmarked accounts		
- Balances held as margin money against guarantees	127.71	130.79
Total	923.99	625.49
16 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Others*	11.41	7.04
Total	11.41	7.04
* Includes Loans and advances to employees and advances for services		
17 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	15,829.02	12,418.19
Total	15,829.02	12,418.19
17.1 The Company is engaged in systems Integration which includes the sales of products and services as a complete solution		
18 OTHER INCOME		
Interest income	53.52	51.73
Others #	0.01	0.37
Total	53.53	52.10
# includes Miscellaneous income		
19 COST OF MATERIALS CONSUMED		
Purchases of Information Technology Products	14,146.55	10,923.64
Total	14,146.55	10,923.64

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
20 CHANGES IN INVENTORIES OF STOCK - IN - TRADE		
Inventories at close		
Stock-in-Trade	919.32	662.06
	919.32	662.06
Inventories at commencement		
Stock-in-Trade	662.06	744.35
	662.06	744.35
Total	(257.27)	82.29
21 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,064.69	700.42
Contributions to provident and other funds	39.08	14.17
Total	1,103.76	714.59
21.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :		
Particulars	2017 Amount (₹)	2016 Amount (₹)
I. Assumptions :		
Discount Rate	7.66%	7.95%
Salary escalation rate	3.00%	4.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	29.75	15.03
Interest Cost	NIL	NIL
Current Service Cost	8.61	14.72
Past Service Cost (Non Vested Benefit)	NIL	NIL
Past Service Cost (Vested Benefit)	NIL	NIL
Benefit Paid	NIL	NIL
Balance	38.35	29.75
Actuarial (gain)/loss on obligations	NIL	NIL
Liability at the end of the year	38.35	29.75
III. Amount Recognized in the Balance Sheet		
Liability at the end of the year	38.35	29.75
Fair Value of Plan Assets at the end of the year	NIL	NIL
Difference	38.35	29.75
Unrecognized Past Service Cost	NIL	NIL
Amount Recognized in the Balance Sheet	38.35	29.75
IV. Expenses Recognized in the Income Statement :		
Current Service Cost	8.61	14.72
Interest Cost	NIL	NIL
Expected Return on Plan Assets	NIL	NIL
Net Actuarial Gain/(Loss) To Be Recognized	NIL	NIL
Past Service Cost (Non Vested Benefit) Recognized	NIL	NIL
Past Service Cost (Vested Benefit) Recognized	NIL	NIL
Expense Recognized in P& L	8.61	14.72
22 FINANCE COST		
Interest expense	261.24	252.06
Total	261.24	252.06
22.1		
Interest expense on:		
(i) Borrowings	252.25	191.82
(ii) Others	8.99	0.50
	261.24	192.32

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
23 OTHER EXPENSES		
Electricity Expenses	10.75	10.82
Rent	56.24	49.79
Communication Expenses	8.31	15.85
Auditors Remuneration	5.05	4.80
Staff Welfare Expenses	24.39	26.18
Bank Charges	29.93	23.41
Conveyance And Travelling Expenses	61.14	44.82
Insurance Charges	3.90	2.34
Legal & Professional Charges	61.99	27.30
Loss On Sale Of Fixed Assets	11.89	-
Membership & Subscription	9.54	3.01
Miscellaneous Expenses	17.81	13.21
Motor Car Expenses	5.40	5.12
Printing & Stationary Expenses	6.16	4.98
Rates & Taxes	5.63	22.46
Repairs & Maintenance -Building	1.87	4.90
Repairs & Maintenance - Others	6.92	3.34
Sales Promotion Expenses	11.81	3.67
Transportation Charges	63.19	38.09
Total	401.93	304.09

23.1 PAYMENT TO AUDITORS AS**(a) Auditor**

Statutory Audit Fees	4.50	3.50
VAT Audit Fees	0.25	0.20

(b) Certification and Consultation Fees

	0.30	0.30
	<u>5.05</u>	<u>4.00</u>

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**24.1. 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 (₹ in Lakhs)
Income Tax	AY 2012-13	Deputy Commissioner of Income Appeals	6.11
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

b) Guarantees given by the company's bankers ₹ 1016.07 lakhs (previous year ₹ 731.96 lakhs)**24.2. Micro & Small Enterprises**

Particulars	As at March 31, 2017		As at March 31, 2016	
Amount due to vendor	-	-	-	-
Principal amount paid (includes unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid (includes interest disallowable of ₹ Nil (Previous year: ₹ Nil))	-	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
-------------	-------------------------	-------------------------

24.3. INCOME IN FOREIGN CURRENCY

Particulars	2017 (₹ in Lakhs)	2017 (₹ in Lakhs)
Revenue from operations	₹ 1122.85	₹ 424.51

24.4. EXPENDITURE IN FOREIGN CURRENCY

Particulars	2017 (₹ in Lakhs)	2017 (₹ in Lakhs)
Travelling Expenses	₹ 3.16	₹ 2.03

24.5. SEGMENT INFORMATION

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

24.6. Related Party Disclosures

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

S. P. Corporation	Firm in which Wholetime Directors have substantial interest.
Shirish M. Anjaria	Chairman cum Managing Director
Parag J. Dalal	Wholetime Director
Dharmesh S. Anjaria	Wholetime Director
Trigem Infosolutions Limited	Company in which Wholetime Directors have substantial interest

b. The transactions with the related parties are as under:

Party	Nature of Payment	2017 (₹ in Lakhs)	2016 (₹ in Lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	0.60
M/s S.P. Corporation	Reimbursement of Expenses	1.87	2.79
Mr. Shirish M. Anjaria	Remuneration	21.00	10.40
Mr. Parag J. Dalal	Remuneration	18.00	13.20
Mr. Dharmesh S. Anjaria	Remuneration	18.00	13.20

24.7. Earnings per Share (Basic and Diluted)

Particulars	Units	Year Ended March 31, 2017	Year Ended March 31, 2016
Profit after Tax	(₹ /lakhs)	124.68	91.19
Weighted Number of Equity Shares	Nos. Lakhs	59.24	59.23
Earnings Per Share (of paid up Value of ₹ 10 each)	₹	2.10	1.54

24.8. 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 ₹ 56.24 lakhs (Previous year ₹ 49.79 (lakhs)).

24.9. Foreign Exchange Exposure:

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.

As of the Balance Sheet date, the Company has net foreign currency exposure that are not hedged by a derivative instrument or otherwise, amounting to ₹ 225.43 lakhs (Previous year ₹ 108.20 lakhs).

24.10. Monies Received against share warrants

The Board of Directors of the Company at their meeting held on 2nd March, 2017 and approved at its Extra Ordinary General Meeting held on 29th March, 2017 have resolved to issue and allot up to 27,95,000/- warrants of Rs. 10/- each convertible into 1 (One) Equity Shares of Rs. 10 (Rupees Ten Only) each fully paid-up at issue price of

Notes forming part of the Standalone financial statement for the financial year ended 31st March, 2017

Rs. 20 (Rupees Twenty Only) including premium of Rs. 10 (Rupees Ten Only) on a preferential allotment basis, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 31st March, 2017 to the promoters and the 25% application money amounting to Rs. 1,39,75,000/- was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 18th month from the date of allotment of warrants. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

24.11. Disclosure on Specified Bank Notes

Disclosure as required in the MCA notification, G.S.R. 308(E), dated March 31, 2017 for specified Bank Notes (SBNs) or other denomination notes held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows :

In `			
Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hands as on November 8, 2016	-	90,221	90,221
Add: Permitted receipts	-	2,74,000	2,74,000
Less: Permitted payments	-	3,29,235	3,29,235
Less: Amounts deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	34,986	34,986

24.12. Other Notes

- In the opinion of the Board of Directors, Current Assets, Loans and Advance have the value at which these are stated in the Balance Sheet, if realised in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

For Palan & Co
Firm Regn. No. : 133811W
Chartered Accountants

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : May 11, 2017

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DYNACONS SYSTEMS & SOLUTIONS LIMITED ("the Holding Company") which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms 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 accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its consolidated Profit and its consolidated Cash Flow and the changes in equity for the year ended on that date.

Other Matters

The Statement includes unaudited figures in respect of Dynacons Systems & Solutions PTE Ltd., a wholly owned subsidiary and located outside India which are as approved by their management, whose financial statement reflect total assets (net) of Rs. 1,39,247/- and total revenue of Rs. NIL and net cash outflows amounting to Rs. 3,39,722/- for the period ended 31st March, 2017. In our opinion and according to explanation given by Management, these financial statements are not material to this statement.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit.
- b. In our opinion proper books of account relating to preparation of the consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
- c. The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act as applicable;
- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2017 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 A". Our report express and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, 2015 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its consolidated financial position in its financial statement.
- ii. The Company has long term contracts as at March 31, 2017 for which there are no material foreseeable losses. The Company does not have any derivative contracts as at March 31, 2017.
- iii. There was no amount required to be transferred to the investors Education and protection fund by the Company during the year ended March 31, 2017.
- iv. The Company has provided requisite disclosures in its consolidated financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note No. 24.11 to the consolidated financial statements.

For and on behalf of the Board of Directors

For PALAN & CO.
Chartered Accountants
Firm Regn. No. : 133811W

Chandrabhas K. Palan
Proprietor
M. No. 100741

Place : Mumbai
Date : May 11, 2017

“Annexure A” to the Independent Auditor’s Report of even date on the
Consolidated Financial Statements of DYNACONS SYSTEMS & SOLUTIONS LIMITED

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory
Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 the consolidated financial statements of DYNACONS SYSTEMS & SOLUTIONS LIMITED (“the Holding Company”) as of March 31, 2017 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. 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 authorisations 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 the explanations given to us, the Holding 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, 2017, 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.

For PALAN & CO.
Chartered Accountants
Firm Regn. No. : 133811W

Chandrabhas K. Palan
Proprietor
M. No. 100741

Place : Mumbai
Date : May 11, 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017

(` in Lakhs)

Particulars	Note No.	As at 31 March, 2017
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	1	637.81
(b) Reserves and Surplus	2	1,264.73
(c) Money received against share warrants		139.75
		<u>2,042.29</u>
2 Non-current liabilities		
(a) Long-Term Borrowings	3	67.40
(b) Deferred Tax Liabilities (Net)	4	34.53
(c) Other Long Term Liabilities	5	3.61
(d) Long-Term Provisions	6	47.61
		<u>153.16</u>
3 Current liabilities		
(a) Short-Term Borrowings	7	1,922.63
(b) Trade Payables (includes dues of micro and small enterprises ` Nil (March 31, 2017: ` Nil))	8	791.44
(c) Other Current Liabilities	9	486.16
		<u>3200.23</u>
TOTAL		<u><u>5395.67</u></u>
B ASSETS		
1 Non-current assets		
(a) Fixed Assets		
(i) Tangible Assets	10	303.07
(b) Goodwill on Consolidation		
(c) Non-Current Investments	11	6.16
(c) Long-Term Loans And Advances	12	285.71
		<u>594.95</u>
2 Current assets		
(a) Inventories	13	919.32
(b) Trade receivables	14	2,946.01
(c) Cash and Bank Balances	15	923.99
(d) Short-term loans and advances	16	11.41
		<u>4800.72</u>
TOTAL		<u><u>5395.67</u></u>

Notes on Financial Statements

1-24

As per our report of even date attached

For and on behalf of the Board of Directors

 For Palan & Co
 Firm Regn. No. : 133811W
 Chartered Accountants

 Shirish Anjaria
 Chairman cum Managing Director

 Parag Dalal
 Executive Director

 C. K. Palan
 Proprietor
 Membership No: 100741

 Dharmesh Anjaria
 Executive Director

 Ravishankar Singh
 Company Secretary

 Place : Mumbai
 Date : May 11, 2017

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2017

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2017
1 INCOME		
(a) Revenue from Operations	17	15,829.02
(b) Other Income	18	53.53
2 Total Revenue		15,882.55
3 EXPENSES		
(a) Purchases of Stock-In-Trade	19	14,146.55
(b) Changes In Inventories Of Stock-In-Trade	20	(257.27)
(c) Employee Benefits Expense	21	1,103.76
(d) Finance Costs	22	261.24
(e) Depreciation And Amortisation Expense		60.83
(f) Other Expenses	23	405.52
4 Total Expenses		15,720.65
5 Profit Before Tax		161.90
6 Tax Expense:		
(a) Current Tax		54.75
(b) Deferred Tax		(13.94)
		40.81
7 Profit for the year		121.08
8 Earnings per Equity Shares of face value of ₹ 10 each): Basic And Diluted (In ₹)		2.04

Notes on Financial Statements

1-24

As per our report of even date attached

For and on behalf of the Board of Directors

For Palan & Co
Firm Regn. No. : 133811W
Chartered Accountants

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : May 11, 2017

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

(` in Lakhs)

Particulars	For the period ended 31 March, 2017
A CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before Tax and extraordinary items	161.90
Add : Depreciation	60.83
(Profit)/Loss on sale of Fixed Assets	11.89
Finance Costs	261.24
Dividend received	-
	<u>333.97</u>
Operating profit before working Capital	495.86
Changes in current assets and liabilities	
Adjustments for (increase) / decrease in operating assets:	
(Increase)/Decrease in Inventories	(257.27)
(Increase)/Decrease in Trade & Other Receivable	174.37
Adjustments for increase / (decrease) in operating liabilities:	
Increase/(Decrease) in Current Liabilities & Provision	112.36
	<u>29.47</u>
Cash Generated from Operations	525.33
Taxes paid	(83.10)
Net Cash Flow from operating activities	<u>442.23</u>
B CASH FLOW FROM INVESTING ACTIVITIES	(40.58)
Purchase of Fixed Assets	10.93
Sale of Fixed Assets	(29.64)
Net Cash Used for Investing Activities	
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Share Capital	45.50
Share Premium	45.50
Money received against share warrants	139.75
Repayment of long-term borrowings	4.25
Short-term borrowings (net)	(86.45)
Interest Paid	(261.24)
Net cash From Financing Activities	<u>(112.69)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	299.89
Cash and Cash Equivalents (Opening Balance)	625.49
Cash and Cash Equivalents (Closing Balance)	<u>925.38</u>
	<u>299.89</u>

As per our report of even date attached

For Palan & Co
Firm Regn. No. : 133811W
Chartered Accountants

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : May 11, 2017

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

SIGNIFICANT ACCOUNTING POLICIES

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.

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of accounting

The consolidated 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 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

2. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies as listed below. The financial statements of the subsidiary undertakings forming part of these consolidated financial statements are drawn up to 31st March 2017. Subsidiaries are entities over which the Company has the ability to control the financial and operating policies. All material inter-Company transactions and accounts are eliminated on consolidation.

		% of holding either directly or through subsidiary
Name of the subsidiary	Country of incorporation	As at 31st March 2017
Dyancons Systems & Solutions PTE Ltd	Singapore	100

3. Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard 21 (AS 21) on Consolidated Financial Statements, as specified in the standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India.

The financial statements of the parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intragroup balances / transaction and unrealized profits in full. Unrealized losses 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 of during the year is recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Indian rupee is the reporting currency for the group. However, the reporting currencies of non-integral overseas subsidiaries are different from the reporting currency of the group. 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. 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.

The difference between cost of investment in a subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as goodwill or capital reserve as the case may be. For this purpose, the Company's share of net-worth is determined on the basis of latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

As per Accounting Standard 21 - Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts) Rules, 2014 (as amended) 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 is not disclosed in the consolidated financial statements.

Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries.

Name of the entity	Net Assets		Share in profit or loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or (Loss)	Amount
Dyancons Systems & Solutions Limited	100.18%	204,229,170.56	102.97%	12,468,112.92
Dyancons Systems & Solutions PTE Ltd	-0.18%	(359,722.45)	-2.97%	(359,722.45)
Total	100.00%	203,869,448.11	100.00%	12,108,390.47

4. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materials.

5. Revenue Recognition

Revenue relating to equipment supplied is recognized on delivery to the customers and acknowledgement thereof, in accordance with the terms of the individual contracts. Revenue from software development on time-and-material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the completion method. Revenue from the sale of software products is recognized when the sale has been completed and the title has been passed to the client. Revenue from Annual Maintenance Contracts and services is recognized over the life of the contracts.

6. 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.

7. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

8. Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

9. 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.

10. Fixed Assets & Intangible Assets

Fixed Assets are stated at their cost less accumulated depreciation. Fixed assets are capitalised at the cost of acquisition including all expenses directly attributable to bringing the asset to its working condition for intended use. Capital Work-in-Progress comprises the costs of fixed assets that are not ready for the intended use at the Balance Sheet date and includes advances paid to acquire fixed assets. No depreciation has been calculated on the same. Fixed Assets which are not in active use and scrapped, due to technological obsolescence or otherwise, are written off. Intangible Assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

11. 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.

12. 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.

13. Inventories

Inventories are valued at the lower of the cost and the net realizable value. A periodic review is made of slow-moving stock and appropriate provisions are made for anticipated losses, if any. Cost is determined using the first-in first-out method.

14. Investments

Trade investments are the investments made to enhance the company's business interests. Investments being long term in nature are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment. Earnings from investments are accounted for on an accrual basis.

15. Foreign Currency transactions

Sales and Expenditure in foreign currency are accounted at the exchange rate prevalent as of the date of the respective transactions. The exchange differences, if any, arising on foreign currency transactions are recognized as income or expense in the year in which they arise. Current Assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent as at the date of the Balance Sheet. The resulting difference is also recorded in the Profit and Loss Account.

16. 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 and losses are recognized in full in the profit & loss account for the period in which they occur. 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.

17 Income Tax

The tax expense for the year comprises of Current Tax and Deferred Tax. Current Taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

18. 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.

19. 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 24.1. Contingent assets are not recognised in the financial statements.

20. 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. The transfer pricing study for the fiscal year ended 31st March 2017 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

21. 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. 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.

22. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

23. 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.

24. Impairment

At each Balance Sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and the value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to the present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

25. 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.

26. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of equity shares during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017

(` in Lakhs)

Particulars	As at 31 March, 2017
1 SHARE CAPITAL	
(a) Authorised Share Capital 30,000,000 Equity shares of ` 10 each	3,000.00
(b) Issued, Subscribed and Fully Paid up : 63,78,080 Equity shares of ` 10 each) (Previous year 59,23,080 Equity shares of ` 10 each)	637.81

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

Particulars	As at 31 Mar, 2017
	No. of Shares
Equity Shares at the beginning of the year	59,23,080
Issued during the year	4,55,000
Equity Shares at the end of the year	63,78,080

1.2 During the year, Company has raised capital of ` 45.50 Lakhs through Preferential issue by issuing 4,55,000 Equity Shares for cash at a price of ` 20/- each per share (Face Value of ` 10/- and a premium of ` 10/- per share.

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

	As at 31 Mar, 2017	
Name of the Shareholder	Number of Shares Held	% holding
Shirish Mansingh Anjaria	5,90,948	9.27
Dharmesh Shirish Anjaria	3,86,220	6.06
Parag Jitendra Dalal	3,77,200	5.91
Nilam Anjaria	3,64,602	5.72

1.4 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.

1.5 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.

1.6 No bonus shares have been issued to equity share holders in last five years

1.7 No equity share shares been bought back in last five years.

2 RESERVES & SURPLUS

(a) Securities premium account	
As per last Balance Sheet	-
Add : Premium on shares issued during the year	45.50
	Total 45.50
(b) General reserve	
As per last Balance Sheet	190.46
(c) Surplus in Statement of Profit and Loss	
As per last Balance Sheet	904.09
Add: Profit for the year	121.08
	1,025.18
	Total 1,261.14

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars		As at 31 March, 2017
3	LONG TERM BORROWINGS	
	Secured	
	Term Loans	
	From Banks	21.02
		-
	From Others	46.38
	Total	<u>67.40</u>

a) Nature of Security & terms of Repayment of secured borrowing :

3.1 Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company

3.2 Term loans from Other Parties are Secured by way of first mortgage / charge on the Vehicles of the Company

3.3 Other Details

Particulars	Security Covered	Date of Maturity	Number of Installments Due
A From Banks			
ICICI Bank Ltd	Motor Car	Jul-21	40
B From Others			
Non Banking Financial Company	Motor Car	Jun-18	2
Non Banking Financial Company	Motor Car	Dec-20	33
Non Banking Financial Company	Motor Car	Aug-19	17

4 DEFERRED TAX LIABILITY NET

Deferred Tax Liability

Related to fixed assets

48.47

Deferred Tax Assets

Disallowances under the Income Tax Act, 1961

(13.94)

Total

34.53

5. OTHER LONG TERM LIABILITIES

Other Payables*

3.61

Total

3.61

* Includes staff dues

6 LONG TERM PROVISIONS

Provision for employee benefits:

Provision for other defined benefit plans (Refer Note 22.1)

47.61

Total

47.61

7 SHORT TERM BORROWINGS

Secured

Working Capital Loans :

From Banks

1,922.63

Total

1,922.63

7.1 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.

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017
8 TRADE PAYABLES	
Micro, Small and Medium Enterprises	-
Others	791.44
Total	791.44
9 OTHER CURRENT LIABILITIES	
Current maturities of long-term debt	20.18
Other Payables*	465.98
Total	486.16

* includes statutory dues and others

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2017

10 FIXED ASSETS

(₹ in Lakhs)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01-04- 2016	Addition during the year	Deduction during the year	As at 31-03- 2017	As at 01-04- 2016	Addition during the year	Adjust- ments	Deduction during the year	As at 31-03- 2017	WDV as on 31-03- 2017	WDV as on 31-03- 2016
I	<u>Tangible Assets</u>											
1	Furnitures & Fixtures	5.19	2.41	-	7.60	4.99	0.06	-	-	5.06	2.54	0.20
2	Vehicles (Cars)	152.65	38.17	41.74	149.07	36.85	16.03	-	18.91	33.96	115.11	115.80
3	Office Equipment	7.18	-	-	7.18	6.08	0.22	-	-	6.30	0.88	1.10
4	Computer	396.02	-	-	396.02	166.96	44.52	-	-	211.48	184.54	229.06
	Total	561.03	40.58	41.74	559.87	214.88	60.83	-	18.91	256.80	303.07	346.15

11 NON - CURRENT INVESTMENTS
(A) Trade Investments

-

(B) Others

In Equity Shares - Unquoted, fully paid up

Others

Kapol Co-op Bank Ltd

0.51

0.51

In Equity Shares - Quoted, fully paid up

Dena Bank

(2,000 (Previous year 2,000) Equity Shares of ₹ 10 each fully paid up)

0.60

0.60

Total
1.11

(Market Value of Quoted investments ₹ 0.77 Lakhs)

Book value of quoted investments

0.60

Market value of quoted investments

0.77

Book value of unquoted investments (net of provision)

0.51

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017
12 LONG TERM LOANS AND ADVANCES (Unsecured and considered good)	
Security deposits	117.06
Advance income tax (Net of provisions)	162.65
Other loans and advances	6.00
Total	<u>285.71</u>
13 INVENTORIES	
Finished goods (other than those acquired for trading)	919.32
Stock-in-trade	
Total	<u>919.32</u>
13.1 Inventories are valued at lower of cost or net realisable value whichever is low	
14 TRADE RECEIVABLES (Unsecured and Considered Good)	
Over six months	166.49
Other Trade receivables	2,779.51
Total	<u>2,946.01</u>
15 CASH AND BANK BALANCES	
Cash on hand	7.35
Balances with banks :	
In current accounts	233.36
Other Bank Balances :	
In deposit accounts	556.97
In earmarked accounts	
- Balances held as margin money against guarantees	
Total	<u>925.38</u>
16 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)	
Others*	11.41
Total	<u>11.41</u>
* Includes Loans and advances to employees and advances for services	
17 REVENUE FROM OPERATIONS	
Revenue from Information Technology Products	15,829.02
Total	<u>15,829.02</u>
17.1 The Company is engaged in systems Integration which includes the sales of products and services as a complete solution	
18 OTHER INCOME	
Interest income	53.52
Others #	0.01
Total	<u>53.53</u>
# includes Miscellaneous income	
19 COST OF MATERIALS CONSUMED	
Purchases of Information Technology Products	14,146.55
Total	<u>14,146.55</u>

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017
 (₹ in Lakhs)

Particulars	As at 31 March, 2017
20 CHANGES IN INVENTORIES OF STOCK - IN - TRADE	
Inventories at close	
Stock-in-Trade	919.32
	<u>919.32</u>
Inventories at commencement	
Stock-in-Trade	662.06
	<u>662.06</u>
Total	<u>(257.27)</u>
21 EMPLOYEE BENEFITS EXPENSE	
Salaries and wages	1,064.69
Contributions to provident and other funds	39.08
Total	<u>1,103.76</u>

21.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Particulars	2017 Amount (₹)
I. Assumptions :	
Discount Rate	7.66%
Salary escalation rate	3.00%
II. Table Showing Change in Benefit Obligation :	
Liability at the beginning of the year	29.75
Interest Cost	NIL
Current Service Cost	8.61
Past Service Cost (Non Vested Benefit)	NIL
Past Service Cost (Vested Benefit)	NIL
Benefit Paid	NIL
Balance	38.35
Actuarial (gain)/loss on obligations	NIL
Liability at the end of the year	38.35
III. Amount Recognized in the Balance Sheet	
Liability at the end of the year	38.35
Fair Value of Plan Assets at the end of the year	NIL
Difference	38.35
Unrecognized Past Service Cost	NIL
Amount Recognized in the Balance Sheet	38.35
IV. Expenses Recognized in the Income Statement :	
Current Service Cost	8.61
Interest Cost	NIL
Expected Return on Plan Assets	NIL
Net Actuarial Gain/(Loss) To Be Recognized	NIL
Past Service Cost (Non Vested Benefit) Recognized	NIL
Past Service Cost (Vested Benefit) Recognized	NIL
Expense Recognized in P & L	8.61

22 FINANCE COST	
Interest expense	261.24
Total	<u>261.24</u>
22.1	
Interest expense on:	
(i) Borrowings	252.25
(ii) Others	8.99
Total	<u>261.24</u>

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31 March, 2017
-------------	-------------------------

23 OTHER EXPENSES

Electricity Expenses	10.75
Rent	56.24
Communication Expenses	8.31
Auditors Remuneration	5.05
Staff Welfare Expenses	24.39
Bank Charges	29.93
Conveyance And Travelling Expenses	61.14
Insurance Charges	3.90
Legal & Professional Charges	61.99
Loss On Sale Of Fixed Assets	11.89
Membership & Subscription	9.54
Miscellaneous Expenses	17.81
Motor Car Expenses	5.40
Printing & Stationary Expenses	6.16
Rates & Taxes	5.63
Repairs & Maintenance -Building	1.87
Repairs & Maintenance - Others	6.92
Sales Promotion Expenses	11.81
Transportation Charges	63.19
Total	401.93

23.1 PAYMENT TO AUDITORS AS

(a) Auditor	
Statutory Audit Fees	4.50
VAT Audit Fees	0.25
(b) Certification and Consultation Fees	0.30
	<u>5.05</u>

Additional Information to the consolidated financial statements

24.1. 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)
Income Tax	AY 2012-13	Deputy Commissioner of Income Appeals	6.11
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

b) Guarantees given by the company's bankers ₹ 1016.07 lakhs

24.2. Micro And Small Enterprises

Particulars	As at March 31, 2017	
Amount due to vendor	-	-
Principal amount paid (includes unpaid) beyond the appointed date	-	-
Interest due and payable for the year	-	-
Interest accrued and remaining unpaid (includes interest disallowable of ₹ Nil (Previous year: ₹ Nil))	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

24.3. Income in Foreign Currency

Particulars	2017 (₹ /lakhs)
Revenue from operations	1122.85

24.4. Expenditure in Foreign Currency

Particulars	2017 (₹ /lakhs)
Travelling Expenses	3.16

24.5. Segment Information

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

24.6. Related Party Disclosures

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

S. P. Corporation	Firm in which Wholetime Directors have substantial interest.
Shirish M. Anjaria	Chairman cum Managing Director
Parag J. Dalal	Wholetime Director
Dharmesh S. Anjaria	Wholetime Director
Trigem Infosolutions Limited	Company in which Wholetime Directors have substantial interest

b. The transactions with the related parties are as under:

Party	Nature of Payment	2017 (₹ /lakhs)
M/s S.P. Corporation	Rent for Premises	1.80
M/s S.P. Corporation	Reimbursement of Expenses	1.87
Mr. Shirish M. Anjaria	Remuneration	21.00
Mr. Parag J. Dalal	Remuneration	18.00
Mr. Dharmesh S. Anjaria	Remuneration	18.00

24.7. Earnings per Share (Basic and Diluted)

Particulars	Units	Year Ended March 31, 2017
Profit after Tax	(₹ /lakhs)	124.68
Weighted Number of Equity Shares	Nos.Lakhs	59.24
Earnings Per Share (of paid up Value of ₹ 10 each)		2.10

24.8. 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 ₹ 56.24 lakhs.

24.9. Foreign Exchange Exposure:

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. As of the Balance Sheet date, the Company has net foreign currency exposure that are not hedged by a derivative instrument or otherwise, amounting to ₹ 225.43 lakhs.

Notes forming part of the Consolidated financial statement for the financial year ended 31st March, 2017

24.10. Monies Received against share warrants

The Board of Directors of the Company at their meeting held on 2nd March, 2017 and approved at its Extra Ordinary General Meeting held on 29th March, 2017 have resolved to issue and allot up to 27,95,000/- warrants of Rs. 10/- each convertible into 1 (One) Equity Shares of Rs. 10 (Rupees Ten Only) each fully paid-up at issue price of Rs. 20 (Rupees Twenty Only) including premium of Rs. 10 (Rupees Ten Only) on a preferential allotment basis, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 31st March, 2017 to the promoters and the 25% application money amounting to Rs. 1,39,75,000 /- was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 18th month from the date of allotment of warrants. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

24.11. Disclosure on Specified Bank Notes

Disclosure as required in the MCA notification, G.S.R. 308(E), dated March 31, 2017 for specified Bank Notes (SBNs) or other denomination notes held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows :

			In `
Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hands as on November 8, 2016	-	90,221	90,221
Add: Permitted receipts	-	2,74,000	2,74,000
Less: Permitted payments	-	3,29,235	3,29,235
Less: Amounts deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	34,986	34,986

24.12. Other Notes

- In the opinion of the Board of Directors, Current Assets, Loans and Advance have the value at which these are stated in the Balance Sheet, if realised in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.
- The subsidiary company namely Dynacons Systems & Solutions Pte. Ltd. was incorporated on 20th March, 2017. This being the first year of consolidation, previous years figures have not been stated.

AS PER OUR REPORT OF EVEN DATE

As per our report of even date attached

For and on behalf of the Board of Directors

For Palan & Co
Firm Regn. No. : 133811W
Chartered Accountants

C. K. Palan
Proprietor
Membership No: 100741

Shirish Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Place : Mumbai
Date : May 11, 2017

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN :L72200MH1995PLC093130

78,RatnajyotIndustrial Estate, Irla Lane, Vile Parle (West), Mumbai - 400 056.

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

ATTENDANCE SLIP

22nd ANNUAL GENERAL MEETING ON FRIDAY, 29th SEPTEMBER, 2017

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 22nd Annual General Meeting (AGM) of the Company on Friday, 29th September, 2017, at 04:30 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 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

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

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 22nd Annual general meeting of the Company to be held on Friday, 29th September, 2017 at 04:30 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, 2017, 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.		

3.	Appointment of Statutory Auditors- M/s. MSP & Co., Chartered Accountants in place of retiring Statutory Auditors M/s. Palan& Co., Chartered Accountants, as Statutory Auditors of the Company		
Special Business:			
5.	Appointment of Mr. Viren Shah (Din no.: 02886221) as an Independent, Non-Executive Director of the Company.		
6.	Appointment of Mr. DilipPalicha (Din no.: 02879480) as an Independent, Non-Executive Director of the Company.		
7.	Authority to Borrow Funds		

Signed this _____ day of _____ 2017

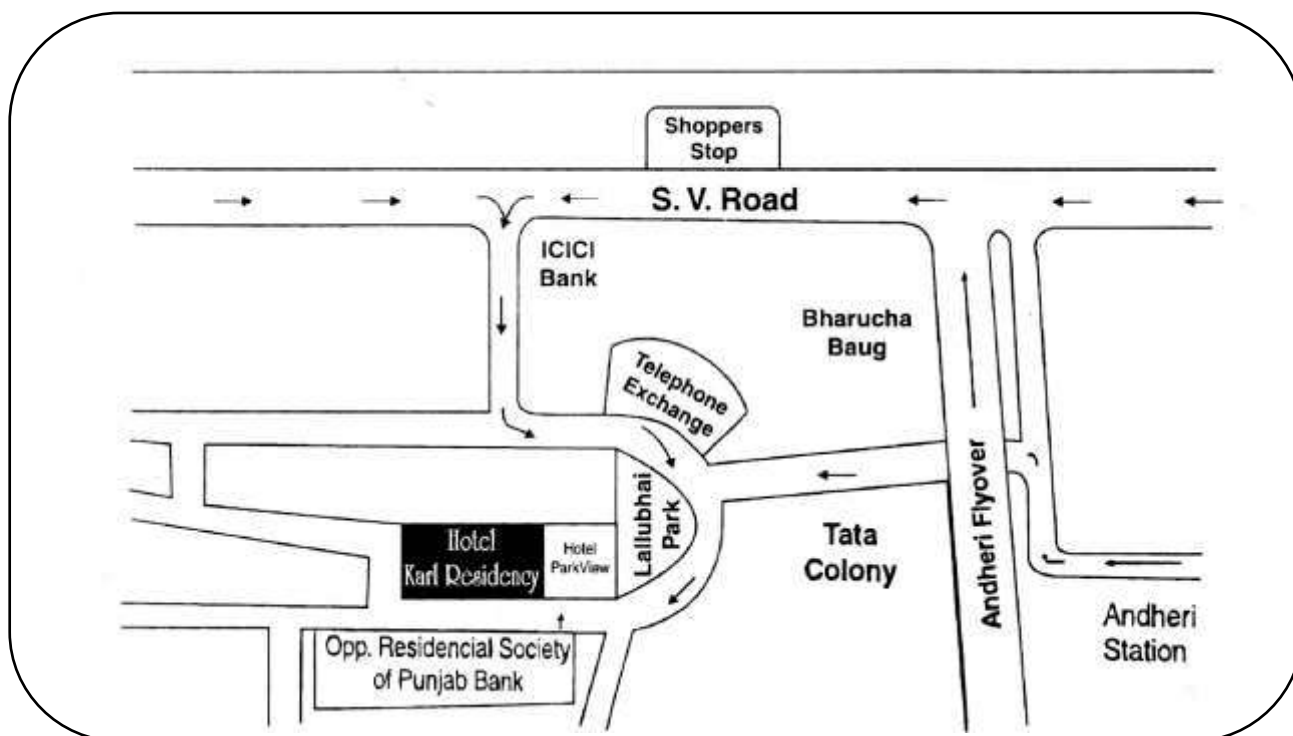
Signature of shareholder.....

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



Notes

Dynacons Technical Expertise



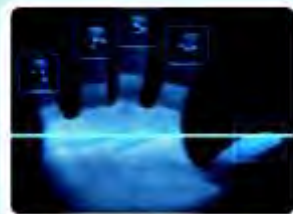
Our Offerings



**System
Integration**



**Networking
Solutions**



**Security &
Surveillance
Solutions**



**IT
Infrastructure
Management**



**Software
Solutions**



**Project
Management &
Execution**



**Converged
Communication
Solutions**



CIO Choice – “Emerging IT Services Company”



“Hall of Fame”



“HPE Champion Award”



“Datacenter Award”

Awards Won!

Dynacons, bagged year on year awards for its Services and Solution Capabilities.

DYNACONS
SOLUTIONS THAT EMPOWER



“Solution Champ”



“Security Award”

Channel World Magazine - Cover Story

FOCAL POINT: They say green IT is dying. But it can still be revived. All it needs is a little effort. PAGE 33

INDIAN ChannelWorld

Staying On Top of SDS

The days of proprietary storage have long gone. Converged storage systems are now revolutionizing the way the enterprise storage industry functions. —PAGE 34

News Analysis: After the first six months as CEO, here's a report card of how Red Hat's new strategy at Microsoft. PAGE 18

The Drill: Fred Kohlen, EMC, outlines how its new Business Partner Program will take its channel strategy ahead. PAGE 20

On Record: Red Hat's CEO, Bob Thibault, will help take Intel's multi-channel strategy effectively to the enterprise. PAGE 22

Feature: Shows the large data lives, people worry about what happens when they die. However, businesses aren't doing as much as they could be doing. PAGE 24

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CRN Magazine

ROLE MODEL

CRN showcases the journey of Dynacons Systems & Solutions Ltd

THE MAN WHO FOLLOWED HIS HEART

How many people will give up a cushy public sector job and plunge into the entirely uncertain world of entrepreneurship? Shirish Anjaria, Chairman, Dynacons Systems & Solutions, did just that.

MILESTONES

- 1988 Started Dynacons as a small-time consultancy firm
- 1989 Started assembling PCs with the help of Intel
- 1995 With Parag Datta co-founded Dynacons Systems & Solutions. Collaborated with competitors to launch Millennium PCs
- 1998 Closed the fiscal with a turnover of Rs 77.6 crore
- 2013 Entered the IIMAC market

The journey Between 2005 and 2007 Dynacons entered the services and solutions space. Besides, it evolved its infrastructure and an NQC to establish its managed services business. Today, Dynacons is managing 60,000 nodes in western India and 1.5 lakh overall nodes from its NQC in Mumbai.

Initial says “Hardware was a milking cow in those days. As XT sold for Rs 2.5 lakh to Rs 3 lakh, the margin was as high as 30 percent.”

Read full story

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ChannelWorld Presents
Forecast 2015
Channel Perspectives

With
Shirish Anjaria
CMD, Dynacons Systems & Solutions

The 2015 Challenge: Retaining IT Talent: Shirish Anjaria, Dynacons

Shirish Anjaria, CMD, Dynacons Systems & Solutions, speaks about how partner companies can enhance the talent pool of skilled IT staff.

If undelivered, please return to :



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