

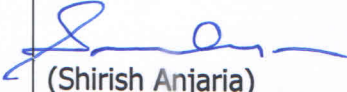

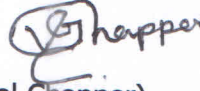



# DYNACONS

SOLUTIONS THAT EMPOWER

FORM-A

## ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the Company	<b>Dynacons Systems &amp; Solutions Ltd.</b>
2.	Annual financial statements for the year ended	<b>March 31, 2015</b>
3.	Type of Audit observation	<b>Un-qualified</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	To be signed by- • CEO/Managing Director	 (Shirish Anjaria)
	• CFO	 (Dharmesh Anjaria)
	• Audit Committee Chairman	 (Vishal Chapper)
	• Auditor of the company	For <b>PALAN &amp; CO.</b> Firm Regn. No. : 133811W <b>Chartered Accountants</b>  Chandrahas K. Palan Proprietor M. No. 100741



For **Dynacons Systems & Solutions Ltd.**

  
**Dharmesh Anjaria**  
Chief Financial Officer



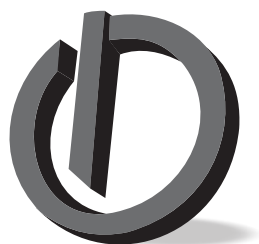
**L72200MH1995PLC093130**

**Dynacons Systems & Solutions Limited**

An ISO 9001:2008 Organization

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

+91-22-66889900 | +91-22-26716641 | www.dynacons.com | sales@dynacons.com | (Toll Free) 1800-266-4444



**DYNACONS**  
SOLUTIONS THAT EMPOWER

**ANNUAL REPORT**  
**2014-2015**

**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. Vishal G. Chappar ... ..	Director
Shri. Dilip Palicha ... ..	Director
Smt. Archana Phadke.....	Director (Appointed w.e.f. March 27, 2015)

**Registrar & Transfer Agents**

Bigshare Services Pvt. Ltd.,  
E-2, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072.

**PRINCIPAL BANKERS**

Dena Bank

**COMPANY SECRETARY**

Mr. Ravishankar Singh

**REGD. OFFICE**

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

**AUDITORS**

Palan & Co.  
Chartered Accountants  
Mumbai.

**CONTENTS**

Awards	3
Our Tie - Ups	4
Notice	5
Directors' Report	10
Corporate Governance Report	30
Auditors' Report	42
Balance Sheet	46
Profit and Loss Account	47
Cash Flow Statement	48
Notes Forming Part of The Financial Statements	49

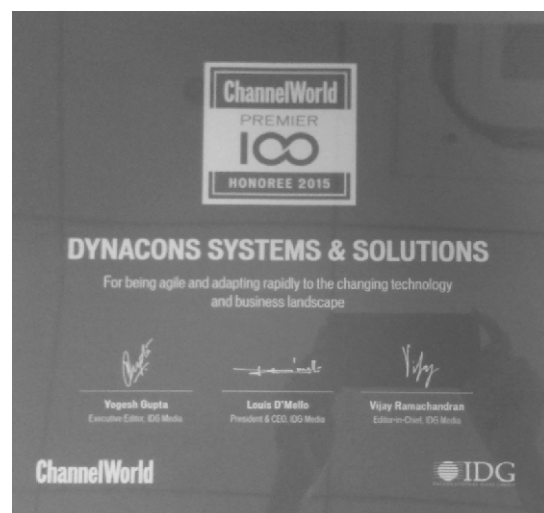
## Awards & Recognitions



1. Channelworld - Security Award



2. DQ Solution Champ - Data Centre



3. Channelworld - Premier 100 Honoree



4. CRN Excellence - Managed Services



5. Channelworld - Storage Award



## Our Tie-ups



**IBM**  
IBM Business Partner



**HP**  
HP Business Partner



**LENOVO**  
Platinum Business Partner



The power to do more

**DELL**  
Preferred Partner



**CISCO**  
CISCO Business Partner



**MICROSOFT**  
Silver Certified Partner



**ORACLE**  
Gold Partner



**JUNIPER NETWORKS**  
Business Partner



**ARUBA NETWORKS**  
Business Partner



**REDHAT**  
Business Partner



**RUCKUS WIRELESS**  
Business Partner



**SYMANTEC**  
Business Partner



**APPLE**  
Authorised Reseller



**NETMAGIC**  
Business Partner



**RIVERBED**  
Riverbed Certification



**VODAFONE**  
Business Partner



**AIRTEL**  
Business Partner



**RELIANCE COMMUNICATIONS**  
Business Partner

**NOTICE**

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Members of **Dynacons Systems & Solutions Limited** (CIN : L72200MH1995PLC093130) will be held on Wednesday, 30<sup>th</sup> Day of September, 2015 at 2.30 P.M., at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and Profit & Loss Account for the year ended on that date 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. Ratification of Appointment of Statutory Auditors of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. Palan & Co., Chartered Accountants (Firm's Registration No. 133811W), as Statutory Auditors of the Company for a term of three years i.e. till the conclusion of the 22<sup>nd</sup> Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 22<sup>nd</sup> AGM of the Company to be held in the year 2017, at such remuneration plus service tax, out-of-pocket, travelling expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:****4. Adoption of new set of Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**5. Appointment of Ms. Archana Phadke (Din no.:07138774) as an Independent Director:**

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

**"RESOLVED THAT** Ms. Archana Phadke (holding Din:07138774), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27<sup>th</sup> March, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company 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 her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 25<sup>th</sup> Annual General Meeting of the Company to be held in the year 2020."

**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 :** August 31, 2015

**Place :** Mumbai

**Registered Office**

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

CIN No: **L72200MH1995PLC093130**



## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) in respect of the **Item No.4 & 5** of the accompanying Notice is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under **Item No. 2 & 5** of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
3. A member entitled to attend and vote at the meeting 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.
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.
5. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, the 24<sup>th</sup> day of September, 2015 to Wednesday, the 30<sup>th</sup> day of September, 2015. (Both days inclusive).
8. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent.
9. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the Annual General Meeting so that the required information can be made available at the Company.
10. In compliance with the provisions of Section 108 of the act and the rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in the notice.
11. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd. 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 2015-16 has been paid to all stock exchange wherein shares of the Company are listed.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL):
  - (i) 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.
  - (ii) The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for 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/Depositories):**

- i. Open the e-mail and also open PDF file 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.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Dynacons 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 the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

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](mailto:csshrutishah@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**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):**

- i. Initial username and password is provided.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

**C. Other Instructions:**

- i. The e-voting period commences on September 27, 2015 (9:30 am IST) and ends on September 29, 2015 (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 (record date) of September 23, 2015, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2015, may obtain the login ID and password by sending a request at [www.evoting@nsdl.co.in](mailto: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.co.in](http://www.evoting@nsdl.co.in).
- iii. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 28<sup>th</sup> August, 2015.
- iv. Ms. Shruti H. Shah, Practising Company Secretary (Membership No. 22923) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- v. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923), at the Registered Office of the Company not later than September 29, 2015 (05:00 pm IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [investor@dynacons.com](mailto:investor@dynacons.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than September 29, 2015 (05:00 pm IST).

Ballot Form received after this date will be treated as invalid.

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.

- vii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dynacons.com](http://www.dynacons.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the Twentieth AGM of the Company on September 30, 2015 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**  
For **Dynacons Systems & Solutions Ltd.**

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

**Parag Dalal**  
Executive Director  
**DIN No : 00409894**

**Date : August 31, 2015**

**Place : Mumbai**

**Registered Office**

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai - 400 056

CIN No: L72200MH1995PLC09313



## **EXPLANATORY STATEMENTS**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 4 & 5 of the accompanying Notice dated August 31, 2015.

### **ITEM NO. 4**

The Articles of Association ("the Articles") of the Company as currently in force was originally adopted when the Company was incorporated under Companies Act, 1956. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

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

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

### **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.

The Non-executive Director of the Company, have given a declaration to the board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the directors fulfill the conditions specified in the act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Ms. Archana Phadke, as an Independent Directors of the Company till the conclusion of the 25<sup>th</sup> Annual General Meeting of the Company to be held in the year 2020.

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

The brief profile of Independent Director is as under:

#### **Ms. Archana Phadke**

Ms. Archana Phadke has over 35 years of experience in the areas of Business Administration, Operations and Corporate Affairs. She is Commerce Graduate.

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

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

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

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

**Parag Dalal**  
Executive Director  
**DIN No : 00409894**

**Date** : August 31, 2015

**Place** : Mumbai

#### **Registered Office**

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

CIN No: **L72200MH1995PLC093130**

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING****(In Pursuance of Clause 49 of the Listing Agreement)**

<b>Particulars</b>	<b>Mr. Parag Dalal</b>	<b>Ms. Archana Phadke</b>
Director Identification Number (DIN)	00409894	07138774
Date of Birth	May 23, 1968	August 17, 1948
Date of Appointment	September 26, 1995	March 27, 2015
Experience in functional Area	Wide experience in Information Technology Service and Solutions	Over 35 years of experience in the areas of Business Administration, Operations and Corporate Affairs
Qualification	Intel certified solution Consultant Digital Electronics post Graduate In Computer Applications.	Commerce Graduate
Directorship in other Companies (Public Limited Companies)	1	1
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	347200	80

**By Order of the Board**For **Dynacons Systems & Solutions Ltd.****Shirish M. Anjaria**

Chairman cum Managing Director

**DIN No : 00444104****Parag Dalal**

Executive Director

**DIN No : 00409894****Date :** August 31, 2015**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 **Twentieth** Annual Report on the business and operations of the Company for the year ended March 31, 2015.

**1. Financial Highlights**

(₹ In lacs)

Sr. No.	Particulars	Year ended 31/03/2015	Year ended 31/03/2014
1.	Total Income	10535.31	7764.54
2.	Total Expenditure (Excl. Depreciation & Interest)	10117.07	7405.77
3.	Interest	193.86	157.57
4.	Depreciation	121.21	117.33
5.	Profit before Tax	103.17	83.87
6.	Provision for Taxation	34.40	25.95
7.	Profit after tax	68.76	57.92

**2. Management Analysis and Discussions****Company performance:**

During the year, your Company earned total revenues of ₹10535.31 lacs compared with ₹7764.54 lacs during the previous year, reflecting a growth of 35% over the previous year. The profit before tax stood at ₹103.17 lacs as compared to ₹83.87 lacs in the previous year reflecting a growth of 24%. The Company has made a provision of tax totaling to ₹34.40 lacs and the profit after tax stood at ₹68.76 lacs for the current year. The Operating Profit (earnings before depreciation and interest and tax) grew from ₹358.77 lacs to ₹418.24 lacs.

Your Company has continued to delivery strong performance and further strengthened its position in the market. The performance was achieved in the background of a fast changing industry landscape and a challenging economic scenario. Your Company's growth has been a result of its customer centric approach and a balanced portfolio of integrated solutions and services. Core focus areas during the year have been customer acquisition and engagement of strategic customers to ensure products aligned with customer expectation and market requirements for sustained growth.

**Industry structure and developments:**

The year under review was one of the most challenging ones in recent years. The year saw continued volatility even in the midst of positive factors like declining oil prices and US economy showing signs of revival. The market for IT services is growing in the midst of continued volatility in large global economies in spite of oil prices showing a declining trend. In India although the sentiment continues to be positive, demand on the ground has not picked across product categories.

There is an increasing trend seen in customers both in India and in the Global context, embracing Social media, Mobility, Analytics and Cloud (SMAC) to drive growth and derive competitive advantage especially with analytics and mobility becoming integral to IT strategy. This has led to a dynamic value ecosystem digitally connecting products and services that combine to meet customer needs and deliver more business value.

**Review of operations:**

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.

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's domain knowledge and technology expertise combined with its delivery capability offers unique advantage to its customers. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure.

The systems integration business focuses on creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services includes supply of associated equipment and software; On-Site and Remote Support Services for multi-locations for the IT infrastructures. The Company has undertaken several solution deployments such as National Payments Corporation of India, IDBI Bank, Reserve Bank of India, State Bank of India, Central Bank, Bank of India, etc. Your Company undertakes large scale network setups and rollouts. We have successfully completed the networking setup of the 2 new lounges at the new Terminal 2, International Airport at Mumbai. This included setup of a wired and Wi-Fi infrastructure alongwith deployment of the server infrastructure.

Your Company made several wins in the state of Madhya Pradesh. Notable wins are the MP Advocate General Case Management System, Public Examination Board, IGRS and Water Resource Department. Services offered include Application Development, Data Centre build, System Integration, Digitization, Project Management, Networking and support over multiple years. Your Company continues to develop deeper, more strategic relationships with global customers like H & M, British Airways, Sita, Zoetis, Levi's, Schindler etc. Your Company is also working on several projects with the Tier I System Integrators like TCS, Tech Mahindra, Atos, UST Global, L&T Infotech etc.

**Infrastructure Management Services:** This is a key growth engine of our Enterprise Services business. The business significantly increased its annuity contract bank backed by multiple deals in BFSI, Manufacturing, Hospitality, & Government verticals in India. In FY14, we launched many productivity and customer service improvement initiatives including field force automation, spares cycle time reduction, traveltime reduction through optimalroute planning, remote resolution improvement, etc.

We recognise that for most organisations the management of their ICT infrastructure must balance the need for availability, flexibility and security against the need for keeping the cost of ownership as effective as possible. 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.

Your Company's Service Delivery Model is an integrated Service Management process delivery model, with the objective of enabling delivery of high quality, standardised, repeatable and consistent services for our customers. Our teams provide first class onsite and remote support services including logistics management and full equipment lifecycle management. Fully integrated into our service management solutions, our engineering capability enhances workspace delivery across the nation.

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.

Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery. Dynacons has an established nationwide support network to provide multi location multi platform support for organisations. 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.

## **Strengths**

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 product and service portfolio is based on providing end-to-end solutions in the Systems Integration and Managed Services space. The Company maintains a competitive edge through a wide spectrum of technology skills, including niche areas.

Your company has unique end to end servicing and solution capabilities that differentiate it from the traditional vendors in the market place. 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. Your Company's offerings span across areas relevant to each organization.

### Quality

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 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.

Your Company continues to strive towards process improvement for ensuring high quality delivery and high levels of customer satisfaction. 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.

Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market. Review of key business processes like business planning, reporting and communication has been done to make them more effective in meeting business objectives. The Company's ERP system enables the business to yield higher employee productivity, save time and our employees can focus their energy and time in providing enhanced services and capturing new clients. Moving forward your company shall continue to further strengthen its processes by adopting best in class standards.

### Outlook

We are at the beginning of a new era - the Digital Revolution - which is resulting in the Consumerisation of IT fuelled by a set of technologies referred to as Social, Mobile, big Data and Cloud. This began as a technological change but is rapidly transforming and impacting every facet of our lives and work. Such transformations are driving businesses to change and adapt. Going forward, new concepts like service as a software, agile platforms and artificial intelligence will play a bigger role in enterprise IT and your Company is well positioned to play a significant role in this journey.

There is a rising intensity of technology adoption across industry verticals which are fuelling adoption of newer platforms. The technologies themselves have a shorter shelf life now than ever before. This leads businesses to move from committing and investing on a technology platform to making use of technology on an Opex model. Therefore, there is a greater propensity to outsource which is showing no sign of tapering off. Overall the objective is to minimise the overall transaction costs by appropriate and customised use of Technology. IT companies like ours are already well positioned and ahead of the curve taking advantage of the emerging opportunities.

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. In addition there is a strong trend towards digital and e-commerce based start-ups indicating a healthy innovative culture building up which would foster IP-led as an add-on to services-led growth so far witnessed.

The Company's strategy for long term growth continues to be to (a) expand its addressable market by investing in newer geographies and newer businesses 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 a scalable global network delivery model. Your Company will continue to invest in the three horizon portfolio of derivative innovation (improvements on current offerings), platform innovations (near term advancements) and disruptive innovations (long term or new market focused investments). With the maturity of technologies around the 'Internet of Things', your Company has scaled up its efforts to build competencies in that area.

As an organization, your Company continues to be driven by a strong performance ethic and a strong set of values and behaviours and is committed to delivering excellence. Our investments in our people, capabilities, technology and infrastructure continue to ensure that your Company remains the partner of choice for customers.

### Opportunities and threats

#### Opportunities

- (1) Domestic market to get boosted due to Government focus on "Digital India" and "Make in India" and "Smart Cities".
- (2) Increasing penetration of Internet in India with the rapid expansion of broadband spectrum availability is enabling businesses to look at Tier II/Tier III cities not only for addressing newer markets but also for IT companies to look for delivery centres in

these places. As a result, IT and network Infrastructures services and associated value added services would therefore be a growth area.

- (3) The adoption of SMAC technologies is expected to drive growth in all the segments. Cloud and client maturity are the major drivers for across the industry verticals.
- (4) E Commerce is driving rapid growth with unprecedented levels of funding. This will bring in opportunities for IT services and associated opportunities for provision of skilling services.

#### Threats

Competition is the main threat to most tech outfits, considering the relentless product cycles, the typically rapid move towards commoditization in the sector and also changes in technology and markets, changes in government policy or regulations / legislation etc. also brings challenges and treats to the smooth functioning of the Company. Since the IT sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. The Company has initiated various measures to enhance the retention of employees during the year.

#### Risks and Concerns

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. 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.

The growth in the economy and IT industry is expected to lead to higher job opportunities and increased demand. This is leading to higher attrition across the IT industry. The speed of technology obsolescence has increased as a natural reaction to fast changing technologies. The productive life of IT resources and competencies is shrinking, thereby increasing the level of investment needed to meet the market requirements.

#### Internal control systems and their adequacy

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. Dynacons Systems & Solutions Limited have a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments.

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.

### 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, 2015.

### 4. Directors and Key Managerial Personnel

Pursuant to Section 149 of the Companies Act, 2013, the Board recommended the appointment of Ms. Archana Phadke for a period of 5 Years as an Independent Director of the Company, not liable to retire by rotation from the date of its 20th Annual General Meeting subject to approval of the Members of the Company.

Ms. Archana Phadke (holding Din 07138774), was appointed as an Additional Director designated as an Independent Director w.e.f. March 27, 2015. The Director has given the declaration to the Board that she met the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that she will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

Mr. Parag Dalal, Whole Time Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval. The terms of appointment made for Mr. Parag Dalal as Whole Time Director dated 1st February, 2012, shall stand altered and be read as "rotational director" instead of "non- rotational director" due to applicability of



Companies Act, 2013 since Independent Directors are not liable for retire by rotation.

The Board recommends the resolutions for your approval for the above appointments.

Also during the year, Mr. Ravi Singh, Company Secretary & Compliance officer was appointed as Key Managerial Personnel w.e.f. August 14, 2014 as per Section 203 of Companies Act, 2013.

### **5. Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Palan & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 19<sup>th</sup> Annual General Meeting (AGM) of the Company held on 30<sup>th</sup> September, 2014 till the conclusion of the 22<sup>nd</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

#### **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.

### **6. Corporate Governance**

As required under Clause 49 of the Listing Agreement 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.

### **7. 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](http://www.dynacons.com).

### **8. 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.

### **9. 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 clause 49(VIII)(E)(2) of the revised listing agreements. Other than these, none of the Directors are related.

### **10. 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.

### **11. 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 along with relevant documents.
- 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.

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

The Company continues its focus on retention through employee engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential. The human resource (HR) strategy is focused on creating a performance-driven environment in the Company, where innovation is encouraged, performance is recognised and employees are motivated to realise their potential. HR is the core of the Company, influencing change, building culture and capabilities. 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.

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. 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 has continually adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities.

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.

In the current global work environment, our company focuses on lowering employee turnover and on retaining the talent and knowledge held by the workforce. New hiring not only entails a high cost but also increases the risk of a newcomer not being able to replace the person who was working in that position before. Human Resource departments also strive to offer benefits that will appeal to workers, thus reducing the risk of losing corporate knowledge.

## **13. Credit Rating**

Your Directors have pleasure to inform that CARE Ratings has assigned CARE BB+ rating to your Company for long term bank facilities for a total amount of Rs. 13 Crores. CARE has also assigned A4+ rating for the short term bank facilities of the Company up to Rs. 3.50 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.

## **14. 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.

## **15. Directors Responsibility Statement**

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors based on the information and representations received from the operating management confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- (b) The directors had 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) The directors had 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) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively,
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 16. 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 31<sup>st</sup> March, 2015 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. Nil (previous year Nil)  
**Foreign Exchange Outgo :** Rs. 25.55 Lacs (previous year 24.57 lacs)

## 17. 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.

## 18. Declaration by an Independent Director(s)

A declaration has been received by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreements. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

## 19. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

## 20. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, Ms. Shruti Shah, Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y 2014-15. The Company provides all the assistance and facilities to the secretarial auditor for conducting their audit. Report of Secretarial Auditors for the F.Y 2014-15 in Form MR-3 is annexed to this report as Annexure-II.

## 21. Internal Audit & Controls

The Company has in place proper and adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

## 22. 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](http://www.dynacons.com).

**23. Risk Management**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

**24. 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.

**25. 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.

**26. Particulars of contracts or arrangements with related parties**

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.

**27. Obligation of company under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013**

In order to prevent sexual harassment of women at work place, a new Act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, Company has not received any complaint of harassment.

**28. 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**

**Date** : August 31, 2015

**Place** : Mumbai

**Annexure I**

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

**As on financial year ended on 31.03.2015**

**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, E-2, ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD, SAKI NAKA, ANDHERI (EAST), MUMBAI-400072 Email Id: rutika@bigshareonline.com Tel No.: 022 4043 0365
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%

**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	_____	_____NA_____	_____

**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-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/H.U.F.	1710969	-	1710969	28.89	1793509	-	1793509	30.28	1.39
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	71475	-	71475	1.21	71475	-	71475	1.21	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	1782444	-	1782444	30.09	1864984	-	1864984	31.48	1.39
<b>B. Public Shareholding</b>									
1. Institutions									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									-
I) Indian	330828	-	330828	5.59	283923	-	283923	4.79	(0.08)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2991068	43400	3034468	51.23	2906696	43084	2949780	49.80	(1.43)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	711750	-	711750	12.02	745364	-	745364	12.58	0.56



# DYNACONS

## SYSTEMS & SOLUTIONS LTD.

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	62110	-	62110	1.05	66194	-	66194	1.12	0.07
Overseas	-	-	-	-	-	-	-	-	-
Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1480	-	1480	0.02	12835	-	12835	0.22	0.19
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	4097236	43400	4140636	69.91	4015012	43084	4058096	68.51	(1.40)
Total Public Shareholding (B)= (B)(1)+ (B)(2)	4097236	43400	4140636	69.91	4015012	43084	4058096	68.51	(1.40)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	5879680	43400	5923080	100.00	5879996	43084	5923080	100.00	0.00

Note : Percentage in bracket represents negative percentage.

### B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHIRISH M. ANJARIA	360948	6.09	-	360948	6.09	-	-
2	DHARMESH S. ANJARIA	356220	6.01	-	356220	6.01	-	-
3	PARAG J. DALAL	347200	5.86	-	347200	5.86	-	-
4	NILAM S. ANJARIA	252562	4.26	-	309602	5.22	-	0.96
5	JIGNA D. ANJARIA	130963	2.21	-	156463	2.64	-	0.43
6	DEVANGI PARAG DALAL	134640	2.27	-	134640	2.27	-	-
7	HASUMATI DALAL	64816	1.09	-	64816	1.09	-	-
8	SHIRISH M. ANJARIA (H.U.F.)	3543	0.06	-	3543	0.06	-	-
9	TRIGEM INFOSOLUTIONS LIMITED	71475	1.21	-	71475	1.21	-	-
10	PARAG J. DALAL (H.U.F.)	60077	1.01	-	60077	1.01	-	-
		<b>1782444</b>	<b>30.09</b>	<b>-</b>	<b>1864984</b>	<b>31.48</b>	<b>-</b>	<b>1.39</b>

**C) Change in Promoters' Shareholding**

Sr. No.	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SHIRISH M. ANJARIA	At the beginning of the year	360948	6.09	360948	6.09
		Increase/Decrease	-	-	-	-
		At the end of the year	360948	6.09	360948	6.09
2	DHARMESH S. ANJARIA	At the beginning of the year	356220	6.01	356220	6.01
		Increase/Decrease	-	-	-	-
		At the end of the year	356220	6.01	356220	6.01
3	PARAG J. DALAL	At the beginning of the year	347200	5.86	347200	5.86
		Increase /Decrease	-	-	-	-
		At the end of the year	347200	5.86	347200	5.86
4	NILAM SHIRISH ANJARIA	At the beginning of the year	252562	4.26	252562	4.26
		Increase	57040	0.96	57040	0.96
		At the end of the year	309602	5.22	309602	5.22
5	JIGNA D. ANJARIA	At the beginning of the year	130963	2.21	130963	2.21
		Increase	25500	0.43	25500	0.43
		At the end of the year	156463	2.64	156463	2.64
6	DEVANGI PARAG DALAL	At the beginning of the year	134640	2.27	134640	2.27
		Increase/Decrease	-	-	-	-
		At the end of the year	134640	2.27	134640	2.27
7.	HASUMATI DALAL	At the beginning of the year	64816	1.09	64816	1.09
		Increase/Decrease	-	-	-	-
		At the end of the year	64816	1.09	64816	1.09
8.	SHIRISH M. ANJARIA (H.U.F)	At the beginning of the year	3543	0.06	3543	0.06
		Increase/Decrease	-	-	-	-
		At the end of the year	3543	0.06	3543	0.06
9	TRIGEM INFOSOLUTIONS LTD.	At the beginning of the year	71475	1.21	71475	1.21
		Increase/Decrease	-	-	-	-
		At the end of the year	71475	1.21	71475	1.21
10.	PARAG J. DALAL (H.U.F)	At the beginning of the year	60077	1.01	60077	1.01
		Increase/Decrease	-	-	-	-
		At the end of the year	60077	1.01	60077	1.01

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 1.4.2014		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2015	
		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	FAISAL IQBAL	7925	0.13	82064	1.39	89989	1.52
2	SANJAY SOHANLALJI JAIN	-	-	75000	1.27	75000	1.27
3	VISHAL RAMESHCHANDRA JOSHI	-	-	64329	1.09	64329	1.09
4	JAGANNATH D DEVADIGA	61933	1.05	-	-	61933	1.05
5	PADAMABEN R JOSHI	-	-	59166	1.00	59166	1.00
6	VISHALGIRISHCHANDRA CHAPPER	49349	0.83	-	-	49349	0.83
7	MASTERMIND FINANCIAL SERVICES PVT. LTD.	40000	0.68	-	-	40000	0.68

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 1.4.2014		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2015	
		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
8	KISHORE PRATAPSIKH KAJARIA	38,714	0.65	-	-	38,714	0.65
9	RAJSHREE KISHORE KAJARIA	37,067	0.63	-	-	37,067	0.63
10	AJITH P MATHEW	36,157	0.61	-	-	36,157	0.61

Note : The above details are given as on 31<sup>st</sup> March, 2015. The Company is listed and 99.27% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. 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 Shareholder	Shareholding at the beginning of the year as on 1.4.2014		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2015	
		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 M. Anjaria (Chairman and Managing Director)	360948	6.09	-	-	360948	6.09
2	Mr. Dharmesh S. Anjaria (Whole-time Director)	356220	6.01	-	-	356220	6.01
3	Mr. Parag J. Dalal (Whole-time Director)	347200	5.86	-	-	347200	5.86
4	Mr. Dilip Palicha (Director)	-	-	-	-	-	-
5	Mr. Viren Shah (Director)	-	-	-	-	-	-
6	Mr. Vishal Chapper (Director)	49349	0.83	-	-	49349	0.83
7	Ms. Archana Phadke (Director)	80	-	-	-	80	-
8	Mr. Ravi Singh (Key Managerial Personnel)	-	-	-	-	-	-

## F) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1361.21	-	-	1361.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1361.21	-	-	1361.21
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	84.40	-	-	84.40
<b>Net Change</b>	84.40	-	-	84.40
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1276.82	-	-	1276.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1276.82	-	-	1276.82

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name			Total Amount
		Mr. Shirish M. Anjaria	Mr. Parag J. Dalal	Mr. Dharmesh S. Anjaria	
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,05,400	6,60,000	6,60,000	19,25,400
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1,14,600	5,40,000	5,40,000	11,94,600
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-	-
<b>4</b>	<b>Commission</b>				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
<b>5</b>	<b>Others, please specify</b>	-	-	-	-
	<b>Total (A)</b>	7,20,000	12,00,000	12,00,000	31,20,000
	<b>Ceiling as per the Act</b>				

**B. Remuneration to other directors- N.A.****C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Mr. Ravi Singh	CFO#	Total
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	55,300	-	55,300
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	42,780	-	42,780
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-	-
<b>4</b>	<b>Commission</b>				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
<b>5</b>	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	98,080	-	98,080

\*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 31<sup>st</sup> March, 2015**

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dynacons Systems & Solutions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information and representation pertaining to compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 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 and provided by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the Company has not issued any shares under ESOP 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.
  - (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 issued by The Institute of Company Secretaries of India. Not notified for the financial year 2014-2015 and hence not applicable for the period under review.
- (ii) The Listing Agreements 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.

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 mentioned above.

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.

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.

Shruti H. Shah  
Practising Company Secretary  
ACS No: 22923  
C P No.:8197

Date : August 31, 2015  
Place : Mumbai

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.



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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shruti H. Shah  
Practising Company Secretary  
ACS No: 22923  
C P No.:8197

Date : August 31, 2015  
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, 2015, 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, 2015 are as follows:

Name of related party	Nature of relationship	Duration of contract	Salient terms (1)	Amount (In lakh)
M/s S.P. Corporation	Promoter Firm	Ongoing	As per Agreement	1.68
Mr. Shirish M. Anjaria	Common Director	Ongoing	As per Resolutions	7.20
Mr. Parag J. Dalal	Common Director	Ongoing	As per Resolutions	12.00
Mr. Dharmesh S. Anjaria	Common Director	Ongoing	As per Resolutions	12.00

For **Dynacons Systems & Solutions Ltd.**

**Date :** August 31, 2015  
**Place :** Mumbai

**Shirish Anjaria**  
Chairman cum  
Managing Director  
**Din no.:** 00444104

**Parag Dalal**  
Executive Director  
**Din no.:** 00409894

**ANNEXURE IV to the Directors' Reports**

## PARTICULARS OF REMUNERATION

- 1) 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	14.52
Parag Dalal	24.19
Dharmesh Anjaria	24.19

- (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	50%
Parag Dalal	25%
Dharmesh Anjaria	25%

- (c) The percentage increase in the median remuneration of employees in the financial year : (4%)

Note : Percentage in bracket represents negative percentage.

- (d) The number of permanent employees on the rolls of company: 471

- (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	₹/lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	32.32
Revenue from operations	10,429.21
Remuneration (as % of revenue)	0.31%
Profit before tax (PBT)	103.17
Remuneration (as % of PBT)	31.33%

- (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 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	Variation %
Closing rate of share at BSE	₹	8.80	2.65	232.08
Closing rate of share at NSE	₹	8.90	2.65	235.85
EPS(consolidated)	₹	1.16	0.98	18.73
Market capitalization	₹/Lakhs			
BSE		521.23	156.96	232.08
NSE		527.15	156.96	235.85
Price Earnings Ratio	Ratio			
BSE		7.58	2.71	179.70
NSE		7.67	2.71	182.88

- (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 2014-15 was 20%. Percentage increase in the managerial remuneration for the year was 33.33%

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

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	₹/lac	₹/lac	₹/lac
Remuneration	7.20	12.00	1.12
Revenue from operations	10,492.21	10,492.21	10,492.21
Remuneration (as % of revenue)	0.07%	0.11%	0.01%
Profit before tax (PBT)	103.17	103.17	103.17
Remuneration (as % of PBT)	6.98%	11.63%	1.09%

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

No Variable Component in the Remuneration availed by Directors

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

Not applicable.

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

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

- (2) The statement to the board's report shall include a statement showing the name of every employee of the company- who-
- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;- Not Applicable to the Company.
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;- Not Applicable to the Company.
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company;- Not Applicable to the Company.

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

**Shirish Anjaria**

Chairman cum

Managing Director

**Din no.: 00444104**

**Parag Dalal**

Executive Director

**Din no.: 00409894**

**Date :** August 31, 2015

**Place:** Mumbai

**CORPORATE GOVERNANCE REPORT**

(As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges).

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2015

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on corporate governance is aimed at achieving transparency and professionalism in all decisions and activities of the Company and to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, vendors, creditors and employees. Dynacons firmly believes and has consistently endeavored to practice good Corporate Governance. The Company complies with the requirement regarding Corporate Governance as stipulated under clause 49 of the Listing Agreements of the Stock Exchange where its shares are listed.

The Company's corporate governance policy 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, accountability, integrity and compliance of statutory requirements. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

Dynacons believes in achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible by reviewing periodically the existing systems and controls for further improvements.

**2. BOARD OF 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**

The present strength of Board of Directors is **SEVEN** Directors comprising of an Executive Chairman cum Managing Director, two Whole time Directors and Four 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.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company, which could have potential conflict of interest with the Company at large.

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 Clause 49 (1) (A) of the Listing Agreement with the stock exchanges.

As required under Section 149(3) of the Companies Act, 2013, Ms. 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.

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board Meeting Attended	No. of other Directorships	No. of Membership/ Chairmanship of Other Committee#
Mr. Shirish M. Anjaria	Chairman and Managing Director	Yes	9	1	-
Mr. Parag J. Dalal	Executive & Whole-time Director	Yes	9	1	-
Mr. Dharmesh S. Anjaria	Executive & Whole-time Director	Yes	9	1	-
Mr. Dilip P. Palicha	Non-Executive & Independent Director	Yes	7	1	3
Mr. Viren C. Shah	Non-Executive & Independent Director	Yes	8	1	3
Mr. Vishal G. Chapper	Non-Executive & Independent Director	No	3	-	3
*Ms. Archana Phadke	Non-Executive & Independent Director	No	1	-	-

\* Ms. Archana Phadke was appointed as Independent Director of the Company w.e.f. March 27, 2015.

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.

**Nine** Board Meetings were held during the year 2014-2015. 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 10, 2014, April 30, 2014, May 30, 2014, August 14, 2014, September 03, 2014, September 25, 2014, November 12, 2014, February 14, 2015 and March 27, 2015.

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 as the listing agreement 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. Viren Shah	Non-Executive & Independent Director	6
Mr. Vishal Chapper	Non-Executive & Independent Director	3
Mr. Dilip Palicha	Non-Executive & Independent Director	6

The Committee is presently chaired by Mr. Vishal Chapper, Chartered Accountant. Mr. Chapper is a qualified Chartered Accountant and has a sound knowledge of in the field of Finance and is working as a Finance Controller for the middle-east country for Bureau Veritas. Based on his experience, he was appointed as a Chairman of Audit Committee meeting.

The Audit Committee met **Six** times during the financial year 2014-2015 on the following dates: April 29, 2014, May 30, 2014, August 8, 2014, August 14, 2014, November 12, 2014, and February 14, 2015.

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

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

##### Brief description of terms of reference

- 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. Vishal Chapper. 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. Vishal Chapper	Non-Executive & Independent Director	1
Mr. Viren Shah	Non-Executive & Independent Director	1
Mr. Dilip Palicha	Non-Executive & Independent Director	1

**Details of Remuneration to all the Directors for the year ended March 31, 2015**

<b>Name of Director</b>	<b>Salary</b>
Mr. Shirish Anjaria, Chairman and Managing Director	₹ 7,20,000/-
Mr. Parag Dalal, Whole Time Director	₹ 12,00,000/-
Mr. Dharmesh S. Anjaria, Whole Time Director	₹ 12,00,000/-

The Company has not issued any Stock options to the Directors. Ms. Archana Phadke and Mr. Vishal Chapper Independent Directors, hold Equity Shares in the Company and other Independent Directors have given declaration that they do not hold shares in 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**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship & Grievance Committee."

**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, appointed w.e.f 14<sup>th</sup> August, 2014. The composition of the committee and details of the meetings attended by the Directors are given below:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Mr. Vishal Chapper	Non-Executive & Independent Director	3
Mr. Viren Shah	Non-Executive & Independent Director	4
Mr. Dilip Palicha	Non-Executive & Independent Director	4

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 Shareholders / Investor Grievance Committee.

During the year under review, 2 complaints were received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints outstanding as on March 31, 2015 were Nil. The numbers of pending share transfers as on March 31, 2015 were Nil.

**6. RISK MANAGEMENT COMMITTEE**

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. Vishal Chapper. 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;
- 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 Clause 49, the Independent Directors met on December 11, 2014, 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](http://www.dynacons.com) to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. 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:

- All 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.

## **10. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 was 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 of the Company were held as under:-

- **19<sup>th</sup> 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

- **18<sup>th</sup> AGM** : September 30, 2013 at 3.00 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) Appointment of Shirish Anjaria as Chairman cum Managing Director.
- 2) Appointment of Parag Dalal as a Whole Time Director.
- 3) Appointment of Dharmesh Anjaria as a Whole Time Director.

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

- **17<sup>th</sup> AGM** : September 28, 2012 at 03.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.

Number of Special Resolutions passed: 0

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](http://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, 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 ensure that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

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, the 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 did not have any corporate actions 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, strictures 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: **NIL**

- g) A qualified Practising Company Secretary carried out a Reconciliation of Share Capital Audit, the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the 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) Ms. Archana Phadke has been appointed as Additional Director and being eligible, she has given the consent to continue as director of the Company. She is being regularized in the ensuing Annual General Meeting of the Company. Her brief profile is published in the Annual Report.

**16. CEO & CFO CERTIFICATION**

The Managing Director & CEO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Clause 41 and 49 II((E)(2) of the Listing Agreement.

**17. COMPLIANCE ON CORPORATE GOVERNANCE**

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published in the Annual Report.

**18. 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 Meeting the financial results, presentations and official news releases are posted on the company's website: [www.dynacons.com](http://www.dynacons.com). The Management Discussion and Analysis Report is a part of the Annual Report for the year.

**19. GENERAL SHAREHOLDER INFORMATION****19.1 Annual General Meeting:-**

-Date and Time	September 30, 2015 at 2.30 P.M
-Venue	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058.

**19.2 Financial Calendar: -  
(Tentative)****April'15 - March'16****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

**19.3 Book Closure Date**

September 24, 2015 to September  
30, 2015. (Both days inclusive)

**19.4 Dividend Payment Date**

N.A.

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

<b>Name</b>	<b>Code Nos.</b>
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 2015-2016 have been duly paid to all the above Stock Exchanges.

## 19.6 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 2014	3.24	2.56	2.65	2.25
May 2014	2.99	2.40	2.75	2.15
June 2014	5.00	2.71	4.25	2.55
July 2014	5.15	4.14	4.60	4.00
Aug. 2014	4.60	3.00	4.40	3.25
Sep. 2014	9.00	4.20	8.95	4.25
Oct. 2014	9.00	6.50	8.00	6.70
Nov. 2014	16.50	7.82	16.45	7.90
Dec. 2014	16.35	8.90	15.85	8.80
Jan. 2015	12.50	9.80	12.60	9.25
Feb. 2015	13.50	9.20	12.40	9.30
Mar. 2015	11.50	8.10	11.95	8.15

## 19.7 Registrar and transfer Agents:

### Bigshare Services Pvt. Ltd.

SEBI Regn. No. INR 00001385  
E-2, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai- 400 072  
Tel : 28470652/3  
Fax: 28475207

## 19.8 Share Transfer System

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

## 19.9 Distribution of Shareholding as on March 31, 2015

No. of Equity Shares	No. of Folios	% of Total	Total Holding in ₹	% of Total
1-5000	13146	91.69	14071320	23.76
5001-10000	665	4.64	5047070	8.52
10001-20000	276	1.93	4129160	6.97
20001-30000	78	0.54	1931010	3.26
30001-40000	52	0.36	1886510	3.19
40001-50000	27	0.19	1228590	2.07
50001-100000	46	0.32	3251950	5.49
100001-500000	34	0.24	7338880	12.39
500001-1000000	6	0.04	3961760	6.69
1000001-5000000	7	0.05	16384550	27.66
<b>Total</b>	<b>14337</b>	<b>100</b>	<b>59230800</b>	<b>100</b>



**19.10 Shareholding of Directors**

Sr.No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	360948	6.09
2.	Mr. Dharmesh Anjaria	356220	6.01
3.	Mr. Parag Dalal	347200	5.86
4.	Mr. Dilip Palicha	Nil	Nil
5.	Mr. Viren Shah	Nil	Nil
6.	Mr. Vishal Chapper	49349	0.83
7.	Ms. Archana Phadke	80	0.00

**19.11 Dematerialization of Shares as on March 31, 2015**

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
59,23,080	43,084	0.73	58,79,996	99.27

**19.12 Shareholding Pattern as on March 31, 2015**

Category	No of Shares held	Percentage of Shareholding
Clearing Member	12835	0.22%
Corporate Bodies	283923	4.79%
Corporate Bodies (Promoter Company)	71475	1.21%
Non Resident Indians	66194	1.12%
Promoters/Directors	1127988	19.04%
Public	3695144	62.39%
Relative of Director	665521	11.23%
<b>Total</b>	<b>5923080</b>	<b>100.00%</b>

**19.13 Capital of the Company**

: The authorized and paid-up capital of your Company is Rs. 300,000,000 and 59,230,800 respectively.

**19.14 Outstanding GDRs / ADRs**

: **N.A.**

**19.15 Compliance Officer**

: **Mr. Ravishankar Singh**

**19.16 Address for Investor Correspondence**

: **Bigshare Services Pvt. Ltd.**

SEBI Regn. No. INR 00001385  
E-2, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai- 400 072  
Tel: 28470652/3  
Fax: 28475207

**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

**19.17 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**

As required under Clause 49 (V) of the Listing Agreement with Indian Stock Exchanges, we hereby 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) During the year:
  - i) There has not been any significant change in internal control over financial reporting;
  - ii) There has not been any significant change in accounting policies; and
  - iii) There have been no instances of fraud of which we have become aware.

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 30, 2015

**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 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information & according to 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 in Clause 49 of the above mentioned Listing Agreement.

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**  
Partner  
Membership No: 100741

**Place :** Mumbai

**Date :** May 30, 2015

---

**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](http://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, 2015.

For **Dynacons Systems & Solutions Ltd**

**Shirish Anjaria**  
**Chairman cum Managing Director**  
**DIN: 00444104**

**Place :** Mumbai

**Date :** May 30, 2015

**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 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the 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 to 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 Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' 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 and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. 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 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, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of Act (hereinafter referred to as the " Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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, 2015 on its financial position in its financial statement.
  - ii. The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - 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, 2015.

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

Chandrabhas K. Palan  
Proprietor  
Membership No. 100741

**Place :** Mumbai  
**Date :** May 30, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

**DYNACONS SYSTEMS & SOLUTIONS LIMITED**  
**ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015**

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

1. In respect of the fixed assets of the Company
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The company has a regular programme of physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
2. In respect of the inventories of the Company
  - (a) As explained to us, the stocks of equipment and components/spares for maintenance and resale have been verified by the management during the year at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us and records of the Company examined by us in our opinion :
  - a. The Company is generally regular in depositing the undisputed statutory dues including provident fund, income tax, service tax, sales tax as applicable with the appropriate authorities during the year.
  - b. There are no undisputed dues payable in respect of income tax, wealth tax, sales tax and cess which have remained outstanding as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable except service tax amounting to Rs. 3.98 lakhs.
  - c. Details of dues of Income Tax, Sales Tax and Value Added Tax and Service Tax which have not been deposited as at March 31, 2015 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 2005-06	Deputy Commissioner of Sales Tax Appeals	2.43
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

- d. There was no amount required to be transferred to the Investors Education and Protection Fund by the Company during the year ended March 31, 2015.

8. The Company does not have any accumulated losses and has not incurred any cash losses during the current financial year and the immediately preceding financial year.
9. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks and financial Institutions.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by Dyancons Technologies Limited for Rs. 7 Crores (Previous year 7.00 Crores) from a bank is not prima facie prejudicial to the interest of the Company.
11. According to the information and explanations given to us, the term loans raised during the year were used for the purpose for which they were raised.
12. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not utilized funds raised on short-term basis for long term investment and vice versa.
13. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Chandrabhas K. Palan  
Proprietor  
Membership No. 100741

**Place** : Mumbai  
**Date** : May 30, 2015



**Balance Sheet as at 31 March, 2015**

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	592.31	592.31
(b) Reserves and Surplus	2	1,003.36	1,030.13
		<u>1,595.67</u>	<u>1,622.43</u>
<b>2 Non-current liabilities</b>			
(a) Long-Term Borrowings	3	15.24	17.68
(b) Deferred Tax Liabilities (Net)	4	52.28	98.53
(c) Other Long Term Liabilities	5	19.14	39.92
(d) Long-Term Provisions	6	22.91	14.85
Total non-current liabilities		<u>109.57</u>	<u>170.98</u>
<b>3 Current liabilities</b>			
(a) Short-Term Borrowings	7	1,261.58	1,343.53
(b) Trade Payables	8	192.58	97.71
(c) Other Current Liabilities	9	207.04	212.95
Total current liabilities		<u>1,661.20</u>	<u>1,654.19</u>
<b>TOTAL</b>		<u>3,366.44</u>	<u>3,447.61</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	302.26	465.75
(ii) Intangible Assets Under Development	10	-	16.89
Total fixed assets		<u>302.26</u>	<u>482.64</u>
(b) Non-Current Investments	11	1.11	151.11
(c) Long-Term Loans And Advances	12	138.92	346.29
(d) Other Non-Current Assets	13	-	24.81
Total non-current assets		<u>140.04</u>	<u>522.22</u>
<b>2 Current assets</b>			
(a) Inventories	14	744.35	545.42
(b) Trade receivables	15	1,551.54	1,478.91
(c) Cash and Bank Balances	16	610.32	408.01
(d) Short-term loans and advances	17	17.93	10.41
Total current assets		<u>2,924.14</u>	<u>2,442.75</u>
<b>TOTAL</b>		<u>3,366.44</u>	<u>3,447.61</u>

Notes on Financial Statements

1-25

**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 30, 2015

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

**Shirish Anjaria**  
Chairman cum Managing Director

**Parag Dalal**  
Executive Director

**Dharmesh Anjaria**  
Executive Director

**Ravishankar Singh**  
Company Secretary

## Statement of Profit and Loss for the year ended 31 March, 2015

(₹ in Lakhs)

Particulars	Note No.	For the period ended 31 March, 2015	For the period ended 31 March, 2014
<b>1 INCOME</b>			
(a) Revenue from Operations	18	10,492.21	7,731.84
(b) Other Income	19	43.10	32.70
<b>2 Total Revenue</b>		10,535.31	7,764.54
<b>3 EXPENSES</b>			
(a) Purchases of Traded Goods	20	9,592.82	6,841.16
(b) Changes In Inventories of Stock-In-Trade	21	(198.93)	(12.95)
(c) Employee Benefits Expense	22	454.07	376.62
(d) Finance Costs	23	193.86	157.57
(e) Depreciation And Amortisation Expense		121.21	117.33
(f) Other Expenses	24	269.11	200.94
<b>4 Total Expenses</b>		10,432.14	7,680.67
<b>5 Profit Before Tax</b>		103.17	83.87
<b>6 Tax Expense:</b>			
(a) Current Tax Expense		39.95	26.60
(b) Deferred Tax		(5.55)	(0.65)
		34.40	25.95
<b>7 Profit for the year</b>		68.76	57.92
<b>8 Earnings per Equity Shares of face value of ₹ 10 each):</b>			
Basic And Diluted (In ₹)		1.16	0.98
Notes on Financial Statements	1-25		

As per our report of even date attached

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

**C. K. Palan**  
Proprietor  
Membership No: 100741

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

**Place :** Mumbai  
**Date :** May 30, 2015

**Cash Flow Statement for the Year Ended 31 March, 2015**

(₹ in Lakhs)

Particulars	Note No.	For the period ended 31 March, 2015	For the period ended 31 March, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net profit before Tax and extraordinary items</b>		103.17	83.87
Add: Depreciation		121.21	117.33
(Profit)/Loss on sale of Fixed Assets		(0.31)	6.12
Finance Costs		193.86	157.57
Dividend received		-	-
		<b>314.76</b>	<b>281.02</b>
<b>Operating profit before working Capital</b>		<b>417.93</b>	<b>364.89</b>
Changes in current assets and liabilities			
Adjustments for (increase) / decrease in operating assets:			
(Increase)/Decrease in Inventories		(198.93)	(12.95)
(Increase)/Decrease in Trade & Other Receivable		252.14	(131.51)
Adjustments for increase / (decrease) in operating liabilities:			
Increase/(Decrease) in Current Liabilities & Provision		(45.66)	392.58
		<b>7.55</b>	<b>248.12</b>
<b>Cash Generated from Operations</b>		<b>425.48</b>	<b>613.01</b>
Taxes paid		(100.11)	(57.12)
<b>Net Cash Flow from operating activities</b>		<b>325.37</b>	<b>555.90</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(81.24)	(201.75)
Sale of Fixed Assets		4.48	55.91
Investments		150.00	-
<b>Net Cash Used for Investing Activities</b>		<b>73.24</b>	<b>(145.84)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) In Secured/Unsecured Loans		(2.44)	(24.95)
Interest Paid		(193.86)	(157.57)
<b>Net cash From Financing Activities</b>		<b>(196.29)</b>	<b>(182.52)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>202.31</b>	<b>227.53</b>
Cash and Cash Equivalents (Opening Balance)		408.01	180.47
Cash and Cash Equivalents (Closing Balance)		<b>610.32</b>	<b>408.01</b>
		<b>202.31</b>	<b>227.53</b>

**Notes**

- Components of cash and cash equivalents include bank balances in current account as disclosed under Note 16 of the accounts.
- Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) " 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 30, 2015

**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/materialise.

**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 recognised based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognised based on the completion method. Revenue from the sale of software products is recognised 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 recognise 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.

# DYNACONS

## SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>1 SHARE CAPITAL</b>		
(a) Authorised Share Capital 30,000,000 Equity shares of ₹ 10 each (Previous Year 30,000,000 Equity shares of ₹ 10 each)	3,000.00	3,000.00
(b) Issued, Subscribed and Fully Paid up : 59,23,080 Equity shares of ₹ 10 each (59,23,080 Equity shares of ₹ 10 each)	592.31	592.31
1.1 Pursuant to the Scheme of Arrangement the Equity Share Capital of the Company has been reorganised in the year 2010-11		
1.2 The reconciliation of the number of shares outstanding is set out below :		
	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	5,923,080	5,923,080
Equity Shares at the end of the year	5,923,080	5,923,080
1.3 The details of Shareholders holding more than 5% shares :		
<b>Name of the Shareholder</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
	<b>% holding</b>	<b>% holding</b>
Shirish Mansingh Anjaria	360,948	360,948
Dharmesh Shirish Anjaria	356,220	356,220
Parag Jitendra Dalal	347,200	347,200
Nilam Anjaria	309,602	252,562
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. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. 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.		
<b>2 RESERVES &amp; SURPLUS</b>		
(a) General reserve As per last Balance Sheet	190.46	190.46
(b) Surplus in Statement of Profit and Loss As per last Balance Sheet Add: Profit for the year	839.67 68.76 908.43	781.75 57.92 839.67
Less : Appropriations Adjustments relating to Fixed Assets (Refer Note No. 10.1)	95.53	-
Net surplus in the statement of Profit & Loss	812.90	839.67
<b>Total</b>	<b>1,003.36</b>	<b>1,030.13</b>



Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

Particulars		As at 31 March, 2015	As at 31 March, 2014																																			
3	LONG TERM BORROWINGS																																					
	Secured																																					
	Term Loans																																					
	From Banks	15.24	17.68																																			
	Total	15.24	17.68																																			
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																																					
	<table><tr><th>Particulars</th><th>Security Covered</th><th>Date of Maturity</th><th>Number Of Installments Due</th><th>Applicable Rate Of Interest</th></tr><tr><td>A</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td>Motor Car Loan</td><td></td><td></td><td></td><td></td></tr><tr><td>HDFC Bank</td><td></td><td></td><td></td><td></td></tr><tr><td>- Tata Ace</td><td>Motor Car</td><td>Aug-16</td><td>5</td><td>14.50%</td></tr><tr><td>- Altis Car</td><td>Motor Car</td><td>Jun-18</td><td>27</td><td>10.17%</td></tr></table>	Particulars	Security Covered	Date of Maturity	Number Of Installments Due	Applicable Rate Of Interest	A					1					Motor Car Loan					HDFC Bank					- Tata Ace	Motor Car	Aug-16	5	14.50%	- Altis Car	Motor Car	Jun-18	27	10.17%		
Particulars	Security Covered	Date of Maturity	Number Of Installments Due	Applicable Rate Of Interest																																		
A																																						
1																																						
Motor Car Loan																																						
HDFC Bank																																						
- Tata Ace	Motor Car	Aug-16	5	14.50%																																		
- Altis Car	Motor Car	Jun-18	27	10.17%																																		
4	DEFERRED TAX LIABILITY NET																																					
	Deferred Tax Liability																																					
	Related to fixed assets	56.80	100.75																																			
	Deferred Tax Assets																																					
	Disallowances under the Income Tax Act, 1961	4.52	2.22																																			
	Total	52.28	98.53																																			
5	OTHER LONG TERM LIABILITIES																																					
	Statutory Liabilities	3.07	26.35																																			
	Dues to Staff	16.07	13.57																																			
	Total	19.14	39.92																																			
6	LONG TERM PROVISIONS																																					
	Provision for employee benefits:																																					
	Provision for other defined benefit plans (Refer Note 22.1)	22.91	14.85																																			
	Total	22.91	14.85																																			
7	Short Term Borrowings																																					
	Secured																																					
	Working Capital Loans :																																					
	From Banks	1,261.58	1,343.53																																			
	Total	1,261.58	1,343.53																																			
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.																																					

# DYNACONS

## SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

	Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>8</b>	<b>TRADE PAYABLES</b>		
	Micro, Small and Medium Enterprises	-	-
	Others	192.58	97.71
	<b>Total</b>	<b>192.58</b>	<b>97.71</b>

The company has initiated process of identifying supplier registered under MSMED Act, 2006 by obtaining confirmation. The company has not received an intimation regarding their status under MSMED Act, 2006 and hence disclosures if any relating to amounts unpaid alongwith interest have not been furnished.

### 9 OTHER CURRENT LIABILITIES

	Current maturities of long-term debt	17.07	27.84
	Statutory dues	161.86	150.64
	Others	28.12	34.47
	<b>Total</b>	<b>207.04</b>	<b>212.95</b>

### 10 FIXED ASSETS

Notes forming part of the financial statements for the period ended 31 Mar, 2015

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation					Net Block	
		As at 01-04-2014	Addition during the year	Deduction during the year	As at 31-03-2015	As at 01-04-2014	Addition during the year	Adjustments	Deduction during the year	As at 31-03-2015	WDV as on 31-03-2015	WDV as on 31-03-2014
I	Tangible Assets											
1	Furnitures & Fixtures	5.19	-	-	5.19	4.42	0.02	0.54	-	4.98	0.21	0.77
2	Vehicles (Cars)	47.00	19.67	-	66.67	17.41	8.49	0.13	-	26.03	40.64	29.60
3	Office Equipment	6.66	0.25	-	6.91	3.09	0.50	2.18	-	5.77	1.14	3.57
4	Computer	599.49	61.33	284.70	376.12	167.68	112.20	116.51	280.52	115.86	260.26	431.81
	<b>SUB TOTAL (A)</b>	<b>658.35</b>	<b>81.24</b>	<b>284.70</b>	<b>454.90</b>	<b>192.60</b>	<b>121.21</b>	<b>119.35</b>	<b>280.52</b>	<b>152.64</b>	<b>302.26</b>	<b>465.75</b>
II	Intangible Assets Under Development Software Dev. Exp	84.55	-	84.55	-	67.66	-	16.89	84.55	-	-	16.89
	<b>SUB TOTAL (B)</b>	<b>84.55</b>	<b>-</b>	<b>84.55</b>	<b>-</b>	<b>67.66</b>	<b>-</b>	<b>16.89</b>	<b>84.55</b>	<b>-</b>	<b>-</b>	<b>16.89</b>
	<b>Total [A + B] (Current Year)</b>	<b>742.90</b>	<b>81.24</b>	<b>369.25</b>	<b>454.90</b>	<b>260.26</b>	<b>121.21</b>	<b>136.24</b>	<b>365.07</b>	<b>152.64</b>	<b>302.26</b>	<b>482.64</b>
	<b>(Previous Year)</b>	<b>703.66</b>	<b>201.75</b>	<b>162.51</b>	<b>742.90</b>	<b>243.42</b>	<b>117.33</b>	<b>-</b>	<b>100.49</b>	<b>260.26</b>	<b>482.64</b>	<b>460.24</b>

- 10.1 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of assets as disclosed in Accounting Policy on Depreciation. Accordingly the unamortised carrying value is being depreciated over the period the revised / remaining useful lives. The written down value of the Fixed Assets whose lives have expired as at 1<sup>st</sup> April, 2014 have been adjusted net of tax, in the opening balance Profit & Loss Account amounting to 95.53 lakhs.

### 11 NON-CURRENT INVESTMENTS

#### (A) Trade Investments

In Equity Shares - Quoted, fully paid up Dynacons Technologies Limited (NIL (Previous year 15,000,000) Equity Shares of ₹1 each, fully paid up)	-	150.00
	-	150.00

#### (B) Others

In Equity Shares - Unquoted, fully paid up Kapol Co-op Bank Ltd. 5,000 Equity Shares of ₹10 each	0.51	0.51
	0.51	0.51

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

Particulars		As at 31 March, 2015	As at 31 March, 2014
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
<b>Total</b>		<b>1.11</b>	<b>151.11</b>
(Market Value of Quoted investments ₹ 1.02 (Previous year ₹ 76.24))			
Book value of quoted investments		0.60	150.60
Market value of quoted investments		1.02	76.24
Book value of unquoted investments (net of provision)		0.51	0.51
<b>12 Long Term Loans And Advances</b> (Unsecured and considered good)			
Security deposits		10.99	89.33
Advance income tax (Net of provisions)		127.93	56.46
Other loans and advances		-	200.50
<b>Total</b>		<b>138.92</b>	<b>346.29</b>
<b>13 OTHER NON-CURRENT ASSETS</b>			
Others			
Duties & Taxes		-	24.81
<b>Total</b>		<b>-</b>	<b>24.81</b>
<b>14 INVENTORIES</b>			
Stock-in-trade		744.35	545.42
<b>Total</b>		<b>744.35</b>	<b>545.42</b>
14.1 Inventories are valued at lower of cost or net realisable value whichever is low			
<b>15 TRADE RECEIVABLES</b> (Unsecured and Considered Good)			
Over six months		99.18	96.72
Other Trade receivables		1,452.37	1,382.19
<b>Total</b>		<b>1,551.54</b>	<b>1,478.91</b>
<b>16 CASH AND BANK BALANCES</b>			
Cash on hand		6.16	7.03
Balances with banks :			
In current accounts		0.99	4.43
Other Bank Balances :			
In deposit accounts *#		573.34	343.97
In earmarked accounts			
- Balances held as margin money against guarantees		29.83	52.57
<b>Total</b>		<b>610.32</b>	<b>408.01</b>

\* Includes deposits of ₹ 4.52 (Previous year ₹ NIL)  
with maturity of more than 12 months

# DYNACONS

## SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

	Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>17</b>	<b>SHORT TERM LOANS AND ADVANCES</b> (Unsecured and Considered Good)		
	Loans and advances to employees	11.93	4.41
	Others		
	- Advances for services	6.00	6.00
	<b>Total</b>	<b>17.93</b>	<b>10.41</b>
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from Information Technology Products	10,492.21	7,731.84
	<b>Total</b>	<b>10,492.21</b>	<b>7,731.84</b>
18.1	The Company is engaged in systems Integration which includes the sales of products and services as a complete solution		
<b>19</b>	<b>Other Income</b>		
	Interest income	42.79	31.92
	Miscellaneous income	-	0.78
	Gain on sale of Fixed Assets	0.31	-
	<b>Total</b>	<b>43.10</b>	<b>32.70</b>
19.1	Interest income comprises:		
	Interest from banks on:		
	deposits	42.79	31.92
	Interest on others	-	-
	<b>Total - Interest income</b>	<b>42.79</b>	<b>31.92</b>
<b>20</b>	<b>PURCHASE OF TRADED GOODS</b>		
	Purchases of Information Technology Products	9,592.82	6,841.16
	<b>Total</b>	<b>9,592.82</b>	<b>6,841.16</b>
<b>21</b>	<b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
	Inventories at the end of the year:		
	Stock-in-Trade	744.35	545.42
		<b>744.35</b>	<b>545.42</b>
	Inventories at the beginning of the year:		
	Stock-in-Trade	545.42	532.48
		<b>545.42</b>	<b>532.48</b>
		<b>(198.93)</b>	<b>(12.95)</b>
<b>22</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and wages	448.24	373.90
	Contributions to provident and other funds	5.82	2.73
		<b>454.07</b>	<b>376.62</b>
22.1	As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :		

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Particulars	2015 Amount (₹)	2014 Amount (₹)
<b>I. Assumptions :</b>		
Discount Rate	8.09%	9.31%
Salary escalation rate	4.00%	4.00%
<b>II. Table Showing Change in Benefit Obligation :</b>		
Liability at the beginning of the year	7.43	6.42
Interest Cost	NIL	NIL
Current Service Cost	7.59	1.02
Past Service Cost (Non Vested Benefit)	NIL	NIL
Past Service Cost (Vested Benefit)	NIL	NIL
Benefit Paid	NIL	NIL
Balance	15.03	7.43
Actuarial (gain)/loss on obligations	NIL	NIL
Liability at the end of the year	15.03	7.43
<b>III. Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	15.03	7.43
Fair Value of Plan Assets at the end of the year	NIL	NIL
Difference	15.03	7.43
Unrecognized Past Service Cost	NIL	NIL
Amount Recognized in the Balance Sheet	15.03	7.43
<b>IV. Expenses Recognized in the Income Statement :</b>		
Current Service Cost	7.59	1.02
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	7.59	1.02

**23 FINANCE COST**

Interest expense	193.86	157.57
------------------	--------	--------

**Total**

193.86	157.57
--------	--------

**23.1 Interest expense on:**

(i) Borrowings	191.82	157.30
(ii) Others	2.03	0.28

193.86	157.57
--------	--------

**24 Other Expenses**

Electricity Expenses	7.56	5.23
Rent	19.51	14.23
Communication Expenses	23.99	9.84
Auditors Remuneration	4.00	3.30
Staff Welfare Expenses	6.55	4.80
Bank Charges	25.01	14.18
Conveyance And Travelling Expenses	45.38	34.33
Insurance Charges	2.01	2.13
Legal & Professional Charges	37.96	18.94
Loss On Sale Of Fixed Assets	-	6.12
Membership & Subscription	4.60	1.75
Miscellaneous Expenses	27.97	18.38
Motor Car Expenses	5.32	7.22

# DYNACONS

## SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Printing & Stationary Expenses	3.54	3.64
Rates & Taxes	9.80	9.54
Repairs & Maintenance -Building	1.97	0.82
Repairs & Maintenance - Others	4.24	3.55
Sales Promotion Expenses	6.08	9.29
Transportation Charges	33.58	33.66
<b>Total</b>	<b>269.11</b>	<b>200.94</b>

### 24.1 PAYMENT TO AUDITORS AS

(a) Auditor		
Statutory Audit Fees	3.50	2.90
VAT Audit Fees	0.20	0.20
(b) Certification and Consultation Fees	0.30	0.20
	<b>4.00</b>	<b>3.30</b>

### Additional Information to the financial statements

#### 25.1. Contingent Liabilities

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

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 2005-06	Deputy Commissioner of Sales Tax Appeals	2.43
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales Tax Appeals	11.14

b) Guarantees given by the company's bankers ₹ 703.49 lakhs (previous year ₹ 473.83 lakhs)

#### 25.2. Expenditure in Foreign Currency

Particulars	2015 (₹/lakhs)	2014 (₹/lakhs)
Travelling Expenses	₹ 0.63	₹ 0.95

#### 25.3. Segment Information

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

#### 25.4. 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 and Managing Director
Parag J. Dalal	Wholetime Director
Dharmesh S. Anjaria	Wholetime Director
Trigem Infosolutions Limited	Company in which Wholetime Directors have substantial interest
Dynacons Technologies Limited	Company over which key Managerial Personnel are able to exercise significant influence

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2015

(₹ in Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
-------------	-------------------------	-------------------------

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

Party	Nature of Payment	2015 (₹/lakhs)	2014 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	0.60	0.60
M/s S.P. Corporation	Reimbursement of Expenses	1.08	1.13
Mr. Shirish M. Anjaria	Remuneration	7.20	4.80
Mr. Parag J. Dalal	Remuneration	12.00	9.60
Mr. Dharmesh S. Anjaria	Remuneration	12.00	9.60
Dynacons Technologies Limited	Amount receivable/(payable) as at year end	NIL	NIL

**25.5. Earnings per Share (Basic and Diluted)**

Particulars	Units	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit after Tax	(₹/lakhs)	68.76	57.92
Weighted Number of Equity Shares	Nos. Lakhs	59.23	59.23
Earnings Per Share (of paid up Value of ₹10 each)	₹	1.16	0.98

**25.6. 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 ₹19.26 lakhs (Previous year ₹14.23 lakhs).

**25.7. 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 ₹25.55 lakhs (Previous year ₹24.57 lakhs).

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

**C. K. Palan**  
Proprietor  
Membership No: 100741

**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

**Place :** Mumbai  
**Date :** May 30, 2015



**Book-Post**

*If undelivered, please return to:*



**DYNACONS**  
SOLUTIONS THAT EMPOWER

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

**DYNACONS SYSTEMS AND SOLUTIONS LIMITED**

CIN :L72200MH1995PLC093130

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

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

**ATTENDANCE SLIP**

**20<sup>TH</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, 30<sup>TH</sup> SEPTEMBER, 2015**

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 20<sup>th</sup> Annual General Meeting (AGM) of the Company on Wednesday, 30<sup>th</sup> September, 2015, at 2:30p.m. at the 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 and 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 20<sup>th</sup> Annual general meeting of the Company to be held on Wednesday, 30<sup>th</sup> September, 2015 at 2:30 p.m. at the 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
<b>Ordinary Business:</b>			
1.	Adoption of Balance Sheet as at March 31, 2015, the Profit and Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon.		
2.	Appointment of a Director in place of Mr. Parag Dalal, who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Ratification of the appointment of M/s.Palan & Co.as Statutory Auditors of the Company.		
<b>Special Business:</b>			
4.	Adoption of new set of Articles of Association of the Company.		
5.	Appointment of Ms. Archana Phadkeas an Independent Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix  
Revenue  
Stamp

Signature of shareholder.....

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

### 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.

## BALLOT FORM

### DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN: L72200MH1995PLC093130

REGISTERED OFFICE: 78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (W). MUMBAI – 400056



**DYNACONS**  
SOLUTIONS THAT EMPOWER

1. Name of the First Named Shareholder (In block letters):
2. Name (s) of the Joint holder(s) if any:
3. Postal address:
4. Registered folio No./ \*Client ID No:  
(\*Applicable to investors holding shares in dematerialized form)
5. Number of Shares (s) held:
6. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Twentieth Annual General Meeting (AGM) of the Company to be held on Wednesday, 30<sup>th</sup> September, 2015 at 2:30 p.m. by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Resolutions	For	Against
1	Adoption of Balance Sheet as at March 31, 2015, the Profit and Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon.		
2	Appointment of a Director in place of Mr. Parag Dalal, who retires by rotation and, being eligible, offers himself for re-appointment.		
3	Ratification of the appointment of M/s. Palan & Co. as Statutory Auditors of the Company.		
4	Adoption of new set of Articles of Association of the Company.		
5	Appointment of Ms. Archana Phadke as an Independent Director of the Company.		

**Place:**

**Date:**

\_\_\_\_\_  
(Signature of the shareholder)

**Note:** Please read the instruction carefully before exercising your vote.

### INSTRUCTIONS

1. This Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
2. 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.
3. For detailed instructions on e-voting, please refer to the notes appended to the notice of the AGM.
4. The scrutiniser will collate the votes downloaded from the e-voting system and votes cast through ballot to declare the final result for each of the resolutions forming a part of the notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer Ms. Shruti H. Shah, Practising Company Secretary, (Membership No. 22923) at the Registered Office of the Company on or before the date of the AGM. Alternatively, the Ballot can also be deposited in the box to be made available at the venue during the AGM.
2. The Ballot Form should be signed by the member as per the specimen signature registered with the Company / Depositories. In case of Joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration no. of POA registered with the Company or enclosing an attested copy of POA.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 28<sup>th</sup> August, 2015 and as per the register of members of the Company.
6. A member may request for a duplicate Ballot Form, if so required.
7. Duly completed Ballot Form should reach the Scrutinizer not later than Tuesday, September 29, 2015 (5:00 p.m. IST). Ballot Form received after September 29, 2015 will be strictly treated as if the reply from the Members has not been received.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the scrutiniser to identify either the member or as to whether votes are in favour or against or if signature cannot be verified.
9. The decision of the scrutiniser on the validity of the Ballot Form and any other related matter shall be final.
10. The results declared along with the Scrutiniser's report, shall be placed on the Company's website [www.dynacons.com](http://www.dynacons.com) within two working days of the passing of the resolutions at the AGM of the Company on September 30, 2015, and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.