



October 7, 2018

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

Sub: Annual Report of Dynacons Systems & Solutions Ltd for Financial Year 2017-2018

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report of the Dynacons Systems & Solutions Ltd for Financial Year 2017-2018.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For Dynacons Systems & Solutions Limited

Ravishankar Singh
Company Secretary

Encl.: Copy as above

Dynacons Systems & Solutions Limited

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



**23rd ANNUAL REPORT
2017-2018**

Know Dynacons



Yester Years...

- Founded in 1995
- Listed since 2000 in BSE & NSE



Highly Experienced and professional Management team

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



Technology Driven Business Model

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



Specialty Certifications



ISO 9001:2008



ISO 14001:2015



ISO 2000-1:2011



ISO 27001:2013

India Offices

Ahmedabad

Bangalore

Bhopal

Chennai

Delhi

Goa

Kolkata

Lucknow

Mumbai

Patna

International Operations

Singapore

MULTI- CENTRE SUPPORT

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



Direct
Presence In
Over
300 Locations
PAN India

Our Tie-ups



Hewlett Packard
Enterprise



DYNACONS SYSTEMS & SOLUTIONS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Shirish M. Anjaria ...	Chairman cum Managing Director
Shri. Parag J. Dalal ...	Executive Director
Shri. Dharmesh S. Anjaria ...	Executive Director
Shri. Viren Shah...	Director
Shri. Dilip Palicha...	Director
Smt. Archana Phadke ...	Director
Shri. Jitesh Jain...	Director

COMPANY SECRETARY

Mr. Ravishankar Singh

REGD. OFFICE

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

Registrar & Transfer Agents

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

PRINCIPAL BANKERS

Dena Bank

AUDITORS

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

CONTENTS

Notice	6
Director's Report	13
Secretarial Audit Report	35
Corporate Governance Report	44
STANDALONE FINANCIAL STATEMENTS	
Auditor's Report	62
Balance Sheet	68
Profit and Loss Account	69
Cash Flow Statement	70
Notes Forming Part of The Financial Statements	72
CONSOLIDATED FINANCIAL STATEMENTS	
Auditor's Report	107
Balance Sheet	112
Profit and Loss Account	113
Cash Flow Statement	114
Notes Forming Part of The Financial Statements	116

NOTICE

NOTICE is hereby given that the Twenty third Annual General Meeting of the members of **Dynacons Systems & Solutions Limited** (CIN : L72200MH1995PLC093130) will be held on Saturday, 29th Day of September, 2018 at 2.30 P.M., at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended as at March 31, 2018, the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dharmesh Anjaria (Din: 00445009), who retires from the office of Whole-time director by rotation and being eligible, offers himself for re-appointment.

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 30, 2018
Place: Mumbai

Registered Office

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

NOTES:

1. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings in respect of Director seeking appointment/re-appointment at the Annual General Meeting for Item no. 2, is furnished as annexure to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENTS OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.**
3. Members / Proxies should bring the enclosed attendance slip duly filled in, mentioning details of their DP ID and Client ID/Folio No. for attending the meeting, along with the Annual Report.
4. The proxy holder shall provide his identity proof at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
5. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Sunday, the 23rd day of September, 2018 to Saturday, the 29th day of September, 2018. (both days inclusive).
7. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) and are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or BSPL for assistance in this regard.
8. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the annual general meeting so that the required information can be made available at the Company.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, the Members are requested to provide their e-mail id to the Company or Registrar and Share Transfer Agent in order to facilitate easy and faster dispatch of Notices of the general meetings and other communication by electronic mode from time to time.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number,

MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, BSPL in case the shares are held by them in physical form.

13. 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.
14. 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.
15. Annual Listing fees for the year 2018-19 has been paid to all stock exchange wherein shares of the Company are listed.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to BSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
17. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. www.dynacons.com.
18. Voting through electronic means:
 - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services as provided by National Securities Depository Limited (NSDL).
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
 - iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - iv. The process and manner for remote e-voting are as under:

A. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

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

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

1. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

2. Now, you will have to click on "Login" button.
3. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csshrutishah@gmail.com, with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual for members, available at the downloads Section of www.evoting.nsdl.com or toll free no. 1800-222-990
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) or requesting physical copy):
 - i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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 - ii. Please follow all steps from Point A above, to cast vote.
- C. Other Instructions:
 - i. The remote e-voting period commences on September 24, 2018 (9:00 am IST) and ends on September 28, 2018 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2018, may cast their vote by remote e-voting. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 22, 2018, may obtain the login ID and password by sending a request at www.evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting@nsdl.com or contact NSDL at the following toll free no. 1800-222-990.
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2018.
- v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- vi. Ms. Shruti H. Shah, Practicing Company Secretary (FCS No. 8852) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner and she has consented to act as a scrutinizer.
- vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- x. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Twenty third AGM of the Company on September 29, 2018 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Date: August 30, 2018

Place: Mumbai

Registered Office

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

CIN No: L72200MH1995PLC093130

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

Particulars	Mr. Dharmesh Anjaria
Director Identification Number (DIN)	00445009
Date of Birth	05/01/1973
Date of Appointment	01/02/2010
Experience in functional Area	Mr. Dharmesh Anjaria is responsible for the Managed Services business of the Company and also handles Finance, Taxation and Corporate Affairs. He has rich exposure in the various facets of business and has a strong record of success in creating robust IT architectures and infrastructures and a proven ability to bring the benefits of IT to solve business issues while managing costs and risks
Qualification	B.Com, A.C.A., AICWA, Intel Certified
Directorship in other Companies (Public Limited Companies)	Please refer Corporate Governance Report section of the Annual Report 2017-18
Membership of Committees of other public limited companies (Audit Committee and Shareholder's / Investor's Grievance Committee only)	
No. of Shares held in the Company	
Remuneration Proposed	Upto Rs. 2,50,000/- per month
Remuneration Paid	Rs. 1,50,000/- per month
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Date: August 30, 2018
Place: Mumbai

Registered Office

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

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

Parag J. Dalal
Executive Director
DIN No: 00409894

Directors Report

Your Directors are pleased to present the **Twenty third** Annual Report on the business and operations of the Company for the year ended March 31, 2018.

1. Financial Highlights

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2018	Year ended 31/03/2017	Year ended 31/03/2018	Year ended 31/03/2017
Gross Income	21,152.84	15,882.55	21,460.50	15,882.55
Profit Before Interest and Depreciation	713.94	487.57	735.57	482.84
Finance Charges	354.06	261.24	354.06	261.24
Gross Profit	359.88	226.32	381.51	221.60
Provision for Depreciation	76.10	60.83	76.10	60.83
Net Profit Before Tax	283.78	165.49	305.41	160.77
Provision for Tax	94.70	40.81	95.84	40.50
Net Profit After Tax	192.26	124.68	212.77	121.28
Balance of Profit brought forward	1,027.93	904.09	1,024.27	904.09
Balance available for appropriation	1,217.01	1,028.77	1,233.84	1,024.27

2. Management Analysis and Discussions

Company performance:

Your Company delivered a strong performance on unconsolidated basis, during 2017-18, with total revenues of Rs. 21,152.84 Lakhs as compared with Rs. 15,882.55 Lakhs during the previous year, reflecting a growth of 33.18% over the previous year. The profit before tax stood at Rs. 283.78 Lakhs as compared to Rs. 165.49 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 94.70 Lakhs and the profit after tax stood at Rs. 192.26 Lakhs for the current year, an increase of 54.21% over the previous year.

On a consolidated basis, the revenue from operations for FY18 at Rs. 21,460.50 Lakhs was higher by 35.11% over the previous year (Rs. 15,882.55 Lakhs in FY17). The profit before tax stood at Rs. 305.41 Lakhs as compared to Rs. 160.77 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 95.84 Lakhs and the profit after tax stood at Rs. 121.28 Lakhs for the current year, an increase of 75.43% over the previous year.

Your Company posted another stellar performance in 2017-18 and continued to maintain its growth momentum. It is worth noting that in a largely fragmented market landscape, your Company has historically grown much faster than the market, driven by significant market share gains on account of a superior execution model. The commitment and passion of a diverse, global employee base helped your Company exhibit strong leadership during this period, against the backdrop of immense volatility in key markets and the world economy.

The new digital age is transforming enterprises and is altering how they operate in a fast-changing world. The key digital disruptions that are leading this transformation include automation, block chain, cloud, Internet of Things (IoT), and artificial intelligence (AI). Enterprises today stand at the crossroads due to these disruptive technologies that promise to modify the business landscape forever. To stay relevant and be future ready, organizations must embrace the new wave of change so that they can ensure their offerings are best in class.

2018 is seen to be the year when AI will be at the core of business strategy. A significant leap towards AI is on the cards for large organizations that will be looking to deploy the technology across their entire value chain. Machine learning and AI solutions will propel effective organizations to become intelligent organizations through a data first approach. AI is set to revamp every industry be it Banking, Health, Manufacturing or Construction. The Company has continued to invest in emerging technologies to leverage growth.

Most companies in the IT space have come to realize that new tech-driven models are fast gaining acceptance, making it imperative for business leaders to upgrade their skills. Enterprises cannot overlook the importance of continuous reinvention, the key to sustained competitive advantage in a constantly evolving business landscape. As technology is infused into every aspect of business and society today, its power to disrupt has only magnified the process of creative destruction.

Against this backdrop, your Company's strong growth and customer impact and rich experience in a dynamic IT industry will help it to emerge as a strong leader. What has helped your Company sustain its journey has been its strong value systems, its ability to always put the customer at the center of its strategy and a never-ending desire to collaborate and learn. What also stands out are the employees who have made this possible with their strong customer focus, agile mindset and a strong performance ethic. We have invested in the right capabilities, at the right time and at scale; helping it to stay relevant to customers through every period of technology change. Empowering employees and helping them realize their potential has resulted in an entrepreneurial, innovative and agile organization.

Review of operations:

We continued to strengthen our core services and leveraged automation, to drive significant business outcomes for several global enterprises. Existing clients renewed engagements with the company and new deals were successfully closed in the financial year gone by. Hence, the attempt to increase market share since last year fructified into concrete results. Dynacons' customer-centricity, deep domain expertise, agility in building new capabilities and focus on constant innovation and execution excellence have resulted in enduring customer relationships. The core business portfolio has performed very well with all key segments posting steady growth led by Banking & Financial Services and global customers.

Dynacons undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data centre infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi- location infrastructure of domestic clients. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure. Our deep domain expertise in the industries we serve is central to our ability to understand our customers' challenges and design effective solutions to address them. We hire professionals with in-depth industry experience and continually invest in industry training for our staff and build out industry-specific services and solutions. This approach is key to our high levels of on-time delivery and customer satisfaction.

Dynacons delivers value - driven solutions designed to help organizations maximize their return on investment, enhance business productivity and reduce the total cost of technology ownership. We help organizations realize the true benefits of their technology investments by aligning IT service offerings with business goals and strategies. Your Company uses its global delivery capability and full services portfolio to deliver high quality, high impact solutions leveraging the latest technologies to customers across multiple regions and industry verticals.

The major services we provide include data center, infrastructure security, network and convergence, end-user computing services and mobility. We also have cloud services offerings that utilize virtualization technologies across delivery solutions for private cloud, enterprise multi-tenant cloud and public cloud models. We provide services that harness and modernize legacy systems to be digital-ready with agility and speed without sacrificing the knowledge those systems contain. We believe in making the data centers ready for digital transformation and supports the entire life cycle from DC transformation to modern data centers by enabling the latest technology and solutions like software-defined infrastructure, hybrid cloud architecture, hyper-converged infrastructure, running agile and lean DC operations.

By supporting our customers' transformation to software-defined networks (SDN) and network function virtualization (NFV) – we help them deploy secure, fast and programmable networks which can scale and transform per changing business needs. These include life cycle management services that span strategy, design, implementation and managed services across data and collaboration networks and cover strategy definition, audit services, risk assessment and mitigation planning, policy definition and implementation, unified communication services, software-defined networks and network services brokerage.

Workplace services help organizations enable a modern digital workplace through a whole gamut of end-user computing services which focus on user experience, user empowerment, user engagement, secure productivity-on-the-go, and lean operations. Workplace Services include user profiling and enablement, service desk and global field support, remote / branch site optimization, hybrid messaging, social and collaboration services, enterprise mobile enablement, managed print services, virtualization and desktop as a service, client application management services and operating system migration. These services emphasize personalization, collaboration and mobility for a heterogeneous and data-driven employee experience that keeps employees satisfied, connected and engaged globally. The Company has won several contracts with large BFSI and Global enterprises for their workplaces services notably Life Insurance Corporation, Central Bank of India, Reserve Bank of India, Uber etc.

Security Solutions is another big focus area. With organizations increasingly exposed to the threat of breaches as well as the rapid changes in technology trends such as cloud, digitalization, IoT, data protection and regulatory compliances an enterprise's need for cybersecurity and effective business continuity capabilities becomes all the more critical. Thus, customers need an experienced and mature cybersecurity partner who drives business growth as well as keeps the organization compliant to business and regulatory compliances. Offering full spectrum of services: Strategy and architecture, Transformation and integration and Managed services. The Company was successful in winning a large Contract from CertIn. CertIn is the functional organisation of the Ministry of Electronics and Information Technology, Government of India, with the object of securing India cyber space.

During the year your Company secured a Contract worth INR 20 Crores from Life Insurance Corporation of India (LIC). The terms of the contract with LIC of India include Supply of Laptops, installation, Microsoft Office Components, data migration services and support of the same across the lifecycle of the IT asset, as per requirements of LIC in LIC's Central Offices, Zonal Offices, Divisional Offices, Branch Offices and all other units under these offices in India. The deal covers more than 2000 locations/offices of LIC across India.

Dynacons offers Infrastructure Management Services (IMS), managing the mission- critical IT environments for some of the largest and most forward-looking organizations. Dynacons' Enterprise Services offerings include a wide spectrum of Enterprise IT and Office Automation Services including Infrastructure Managed Services, Breakfix Services, Managed Print Services, Cloud Computing, Systems Integration Services and Applications Development and Maintenance. The Company provides end-to-end technology and technology related services to corporations across industry verticals. The Company has deep domain knowledge across industry sectors and technology expertise across traditional and new age technologies.

Your Company has continued to showcase its leadership in terms of service capabilities and scale of operations over a wide spectrum of industries. Several initiatives have been taken to build a strong and sustainable delivery organisation, through automation, remote service management, process improvements, manpower optimisation and infrastructure optimisation. Customers are increasingly utilizing IT infrastructure services to sharpen their focus on core business operations, reallocate overhead costs to growth investments, enable businesses to respond more quickly to changing demands, decrease time to market, ensure that the IT infrastructure can scale as the business evolves and access skill sets outside the organization.

During the year your Company was awarded one of the most prestigious IT Infrastructure Management Services contract from Godrej & Boyce Mfg. Co. Ltd for a period of Three Years. As per the terms of the Contract, Dynacons will offer Managed IT Services for the IT Infrastructure at 190 locations covering the H.O., factories, warehouses, branch and sales offices of Godrej & Boyce Mfg. Co. Ltd.

Another feather in the cap was the Contract of Managed Services for Life Insurance Corporation. As per the terms of the contract with LIC, Dynacons will provide Managed IT Services for the IT Infrastructure located at LIC's different offices (PAN India) for Life Insurance Corporation of India. The Key Highlights of the contract are as below ➤

- Total Assets covered under this contract – 60,880
- Total number of Resources deployed under this contract – 209
- Total number of offices including branches & satellite offices - 3090
- Total no. of States Covered under this Agreement - Delhi, Punjab, Haryana, Jammu & Kashmir, Himachal Pradesh, Uttar Pradesh, Uttaranchal, MP, Rajasthan, West Bengal, Assam, Nagaland, Manipur, Tripura, Arunachal Pradesh, Mizoram & Meghalaya, Bihar, Odisha, Jharkhand, Chhattisgarh, Andaman & Nicobar Islands.

The Company had formed a wholly-owned foreign subsidiary named Dynacons Systems & Solutions Pte Ltd. at Singapore on 20th March, 2017. The entity has started business operations and business is growing. The Singapore entity will act as a base of the Asia Pacific operations of Dynacons and this will help further grow the business through Asia Pacific.

Awards and Recognitions

Conferred with awards, Dynacons has been recognized as a forerunner and innovative leader in the digital spectrum.

Dynacons has been ranked in the FT1000 list of High Growth Companies Asia Pacific released by Financial Times in partnership with research firm, Statista. The inaugural FT 1000 High-Growth Companies Asia-Pacific list considered companies based in 11 of the region's more developed markets: Australia, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea and Taiwan. This list has been drawn from far over 10 million active companies in eleven countries. According to Financial Times, the ranking is created through a complex procedure aided by thorough research, calculation and evaluation of revenue data.

Dynacons occupies the 455th position alongside major technology players such as Sify, Mindtree, Tech Mahindra, Hexaware, Cyient and Sonata Software. While the research considered businesses in sectors ranging from healthcare to ecommerce, technology was the most represented sector.

Your Company won the Enterprise Business award from HPE Aruba. The award was presented by the HPE team at a function in Goa. The award was presented for the excellence demonstrated in Enterprise solutions.

We have an established nationwide support network to provide multi location multi platform support for organisations. Our reach has expanded to over 250 cities and towns across India. Our ability to align our teams to the customers business goals, together with our extensive domain and technology expertise, has helped us to remain relevant to our customers. The Company's strategy for longer term growth has been to (a) continually expand its addressable market by investing in newer geographies, newer industry verticals and newer service lines and (b) strengthen and deepen existing client relationships through a customer centric approach, superior execution that gives clients an experience of certainty, a full services capability and as scalable global network delivery model.

We have strengthened our business model, and are aggressively investing in and scaling our digital capabilities while driving efficiencies in our core business through increased automation. We tailor our services to specific customer requirements and utilize an integrated delivery model with customer service teams typically based on site at customer locations and delivery teams located at dedicated delivery centers. The key differentiators that enable Dynacons to strategically partner with the Global IT players are our deep contextual knowledge of customers' business models, functions, processes and systems; our proactive approach to innovation and our commitment to delivery excellence. At the core of all this is our ability to attract, develop and retain talent. With technology becoming all pervasive, businesses are increasingly focused on optimizing their IT infrastructure and related operations to deliver enhanced service levels while ensuring quality and security.

We will continue to focus on upgrading our IT skills, driving new collaborations and enabling efficient business processes. We are aware that to increase the relevance of our offerings and services, we need to thoroughly assess the vendors and their ecosystems. By enlisting the ingenuity of our talented workforce, we aim at maximizing our intellectual capital. While fostering a culture where employees are encouraged to ideate, we want to empower them to deliver value beyond the contract. A long-term and mutually beneficial association with our enterprise customers is what we will continue to strive for. Right investments backed by the delivery of value addition have propelled the company toward exponential growth and consequently in a leadership position. Our proven Global Delivery Model, our comprehensive end-to-end solutions, our commitment to superior quality and process execution, our long-standing client relationships and our ability to scale and to service clients across industries make your Company one of the leading service providers in India.

Strengths

Our rich portfolio of service offerings span across the infrastructure lifecycle of Plan-Build-Run-Monitor and includes infra consulting, data center, end user computing, enterprise networking, enterprise security, IT infrastructure operation management and transformation services. All of our services and operations are fully aligned with the world's most respected standards and frameworks. Our processes are based on the IT Infrastructure Library (ITIL®) service management framework with a focus on continuous service improvement and customer satisfaction. Your Company has developed and refined its Service Delivery Model to ensure a consistent and controlled service process.

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

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

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 has a well-defined and scalable organizational structure based on product, territory and process knowledge, experienced and stable management team, strong relationships with public, private as well as foreign banks, institutions and investors. This helps Dynacons achieve its business goals.

Quality

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

Your Company has an enduring focus on operational and delivery excellence and towards sustainable growth on the path of business Excellence. Sustained commitment to highest levels of quality, best-in-class service management, robust information security practices and mature business continuity processes helped the Company attain significant milestones during the year. Your Company continues to strive towards process

Improvement for ensuring high quality delivery and high levels of customer satisfaction. Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market.

Our business leaders and technical talent have their minds focused on unlearning old concepts and relearning the new. They have realized the importance of evolving into interconnected specialists who are equipped with capabilities across domains. Our customer-centricity, process rigor and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels. Moving forward your company shall continue to further strengthen its processes by adopting best in class standards.

Outlook

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 global business is transitioning to a new age where technology is playing a central role in the growth of every industry by delivering a superior customer experience anytime, anywhere. The power of a business now depends on its ability to manage the transition from process maturity to data maturity.

Looking forward, we only see greater opportunity ahead, as businesses become more technology-intensive and depend more on technology to drive competitive differentiation. Our agility, core attributes and belief systems which have ensured our success will continue to help us benefit from each new wave of technology change and create ever more value for our stakeholders. The new technologies of Artificial Intelligence, Robotics, Machine Learning, IOT etc are changing the technology landscape and will change the way businesses run. Businesses have to change and understand the impact and influence of these technologies.

With the concurrent advent of multiple disruptive digital technologies and rapidly changing business dynamics, we are at an inflexion point in the industry. We are well equipped to take these challenges and address the emerging opportunities.

Opportunities and threats

Opportunities

Indian IT industry is expected to grow at a modestly faster clip in the next fiscal year, as the demand for digital services rises and companies build their capabilities. We continued our efforts this year on harnessing the power of artificial intelligence (AI) and automation, IoT platforms and robotics. These technologies will redefine the IT landscape and the business models of enterprises in the times to come. The Government initiative on Smart Cities has led to the creation of many opportunities for your company to participate in. Your company is also working on Robotic process automation in the services that it offers. This will create a lot of value for customers and drive revenues.

Threats

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

Risks and Concerns

The Company's objectives and expectations may be forward looking within the meaning of applicable laws and regulations. The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, among others. The Company has Enterprise Risk Management Framework, which involves risk identification, risk assessment and risk mitigation planning for the Company. The competition from large international and Indian IT companies is increasing in the domestic market space. Technology investments by corporates have shown strong correlations with GDP growth. Uncertainties in economic outlook in these markets can impact technology spend and thereby constrain the Company's growth potential.

We operate in an ever evolving and dynamic technology environment. Therefore, it becomes important for the company to continuously review and upgrade its technology, resources and processes to mitigate technology obsolescence. Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. This is resulting in increased demands on the Company's ability to keep pace with the changing customer expectations. The company strategy is not dependent on any single technology or platform. Your Company has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their business needs.

One of the key areas of focus is talent availability and readiness of our leadership to lead and execute the organizational strategy. The presence and demonstration of required competencies and skills across levels continues to play a key role in defining the success trajectory of the organization. It's the right and able people who bring the business strategy to life, a reality that your Company has taken note of. The focus is on deploying a robust training strategy to cater to the development needs of employees across leadership levels. This includes professional, functional, technical and leadership development learning solutions.

Internal Financial control systems and their adequacy

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

The Company has made the employees responsible for establishing expectations and seeking feedback at every role that is assigned. The employees have been enabled to influence their network of peers to co-own goals. This has helped enable cross functional collaboration and interlock. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. Understanding employee engagement and views on the employment experience periodically in our view is not reflective of the needs of the workforce today. Dynacons Systems & Solutions Limited has an audit committee, the details of which have been provided in the corporate governance report. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggest improvements to strengthen the same. The Company has the robust Management Information System, which is an integral part of the control mechanism. It has continued its efforts to align all its processes and controls with best practices in the group and industry.

The Company's well defined organizational structure, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

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, 2018.

4. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

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

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

During the year under review, Company had offered, issued 27,95,000 warrants convertible into Equity shares of Rs. 20 each including a premium of Rs. 10 each to promoters/promoter group and others on a preferential basis as on 31st March, 2017, of which 5,30,000 warrants were converted into equity on 03.01.2018 and the same are pending for listing on National Stock Exchange of India Limited and BSE Limited.

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

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

7. Details of Holding/Subsidiary/Joint Ventures/Associate Companies

The Company has a subsidiary Dynacons Systems & Solutions Pte. Ltd as on March 31, 2018. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as Annexure -V.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company.

8. Directors and Key Managerial Personnel

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

Mr. Dharmesh Anjaria, Whole Time Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the resolutions for your approval for the above appointment.

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

9. Remuneration to Director and Employees

Details/Disclosures of ratio of remuneration to each Director to median employee's remuneration as required pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and details of remuneration paid to Employees vide Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure- IV.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

10. Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. MSP & Co., Chartered Accountants, (ICAI Firm Registration No. 107565W) had been appointed as the statutory auditors of the Company, for a term of five consecutive years, at the AGM held in the year 2017.

Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

11. 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.

12. Corporate Governance

As required under Regulation 27 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate time for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance.

13. 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.

14. 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.

15. Relationship Between Directors Inter-Se

The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than these, none of the Directors are related.

16. 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.

17. Documents placed on the Website of the Company:

The following documents have been placed on the website in compliance with the Act:

- Financial statements of the Company and consolidated financial statements along with relevant documents as per third proviso to Section 136(1).
- Details of Vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- The terms and conditions of appointment of independent directors as per Schedule IV to the act.
- Latest Announcements
- Annual Reports
- Shareholding Pattern
- Code of Conduct
- Corporate Governance
- Nomination and Remuneration Policy

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

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

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

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

19. 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 2017-18. The Company has provided all the assistance and facilities to the Secretarial Auditor for conducting their audit. Report of Secretarial Auditors for the F.Y 2017-18 in Form MR-3 is annexed to this report as Annexure-II.

20. Explanation or comments on Qualifications, reservations or adverse remarks made by Auditors and the Practicing Company Secretary in their Reports

The Auditors' Report to the members on the Accounts of the Company for the financial year ended 31st March, 2018 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report, however contains the following observation from Secretarial Auditor.

The Company had received notice via e-mail dated 12.02.2017 from BSE Limited ("BSE") and dated 08.03.2018 from National Stock Exchange of India Limited ("NSE"), under Regulation 108(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in the matter of delay of 11 days and 15 days respectively for filing of the listing application on conversion of 5,30,000 warrants for which fine of Rs. 2,20,000 and Rs. 3,00,000 was charged by BSE and NSE respectively. The Company made an adequate reply and paid the fine amount to both the exchanges.

Board's Response – The Board informed that delay in filing application with BSE Ltd. and National Stock Exchange of India Limited happened due to ill health of Company Secretary, Mr. Ravi Singh. Our Company Secretary was down with appendicitis and had undergone surgery for the same and due to which, application was filed with delay of few days. However, Company ensures to take precaution in future to avoid such delay.

21. Share Capital

The paid up Equity Share Capital of the Company as on 31st March, 2017 was Rs. 6,37,80,800 divided into 63,78,080 Equity shares of Rs. 10 each which has increased to Rs. 6,90,80,800 divided into 69,08,080 Equity shares of Rs. 10 each as on 31st March, 2018 since the Company had converted 5,30,000 Warrants

convertible into Equity shares of Rs. 20 each including a premium of Rs. 10 each through preferential issue on 3rd January, 2018.

22. Shares

- a. Buyback of Securities: The Company has not bought back any of the securities during the year under review.
- b. Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- c. Employee Stock Option Plan: The Company has not provided any stock options to the employees.
- d. Warrants convertible into Equity shares: The Company had issued 27,95,000 warrants convertible into equity on 31.03.2017 of which 5,30,000 warrants were converted into Equity shares on 03.01.2018 and application for listing of Equity shares are in process with BSE Ltd. and NSE Limited.

23. Credit Rating

Your Directors have pleasure to inform that Acuite had carried out a credit rating assessment of the Company both for short term and long term bank facilities in compliance with norms implemented by Reserve Bank of India for all banking facilities which enables the Company to access banking services at low costs. Acuite Ratings has assigned Acuite BBB- rating to your Company for working capital facilities for a total amount of Rs. 35.00 Crores. Acuite has also assigned Acuite BBB-, Stable/A3 rating for the Long-term/short term bank facilities of the Company up to Rs. 20 Crores.

24. 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.

25. Directors Responsibility Statement

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis; and
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31st March, 2018 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. 661.96 Lakhs (previous year Rs. 1122.85 Lakhs)

Foreign Exchange Outgo : Rs. 59.41 Lakhs (previous year Rs. 225.43 Lakhs)

27. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

28. Number of Meetings of the Board

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

29. Declaration by an Independent Director(s)

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Companies Act, 2013.

30. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' remuneration and appointment and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

31. Internal Financial Control System

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

32. Composition of Audit Committee

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

33. 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.

34. Risk Management Policy

Risk Management Policy identifies, communicate and manage material risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risk and mitigation measures are provided in the Management Discussion and Analysis annexed to the Annual Report.

35. Corporate Social Responsibility

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

36. Particulars of Employee

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

37. Extract of Annual Return

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Annual Report annexed as Annexure-I.

38. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

39. Particulars of contracts or arrangements with related parties

During the year under review, the Company has entered into following related party transactions which are at arm's length basis.

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

Name of Party	Nature of Transaction	2018 (₹/lakhs)	2017 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	4.23	1.87

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.

40. 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 30, 2018

Place: Mumbai

Annexure I

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

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS.

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ MUF	2083509	165000	2248509	35.25	2248509	530000	2778509	40.22	4.97
b) Central Govt	0	0	0	0				0	0
c) State Govt(s)	0	0	0	0				0	0
d) Bodies Corp.	71475	0	71475	1.12	71475	0	71475	1.03	(0.09)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	2319984	0	2319984	36.37	2319984	530000	2849984	41.25	4.88
(2) Foreign									
a) Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total A2	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter Group A(1+2)	2319984	0	2319984	36.37	2319984	530000	2849984	41.25	4.88
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	280	0	280	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0

f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	280	0	280	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	285867	0	285867	4.48	244165	0	244165	3.53	{0.95}
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0				0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2906872	42184	2949056	46.24	2952022	41705	2993727	43.34	2.90
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	740671	0	740671	11.61	611673	0	611673	8.85	{2.76}
c) Others (specify)	82502	0	82502	1.29	208251	0	208251	3.01	1.72
Non Resident Indians	77413	0	77413	1.21	181884	0	181884	2.63	1.42
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	5089	0	5089	0.08	26367	0	26367	0.38	0.30
Trusts	0	0	0	0				0	0
Foreign Bodies - D R	0	0	0	0				0	0
Sub-total (B)(2):-	4015912	42184	4058096	63.63	4016111	41705	4057816	58.75	{4.88}
Total Public Shareholding (B)={B}(1)+{B}(2)	4015912	42184	4058096	63.63	4016391	41705	4058096	58.75	{4.88}
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6335896	42184	6378080	100	6336375	571705	6908080	100.00	{0.00}

B) Shareholding of Promoter (including Promoter Group):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% 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	590948	9.27	0	620948	8.99	0	(0.28)
2	DHARMESH S. ANJARIA	386220	6.06	0	636220	9.21	0	3.15
3	PARAG J. DALAL	377200	5.91	0	627200	9.08	0	3.17
4	NILAM S. ANJARIA	364602	5.72	0	364602	5.28	0	(0.44)
5	JIGNA D. ANJARIA	211463	3.32	0	211463	3.06	0	(0.26)
6	DEVANGI PARAG DALAL	189640	2.97	0	189640	2.75	0	(0.22)
7	HASUMATI DALAL	64816	1.02	0	64816	0.94	0	(0.08)
8	SHIRISH M. ANJARIA (H.U.F)	3543	0.06	0	3543	0.05	0	(0.01)
9	TRIGEM INFOSOLUTIONS LIMITED	71475	1.12	0	71475	1.03	0	0.18
10	PARAG J. DALAL (H.U.F)	60077	0.94	0	60077	0.87	0	(0.07)
		2319984	36.37	0	2778509	41.26	0	5.14

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

Sr. No.	*Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SHIRISH M. ANJARIA	At the beginning of the year	590948	9.27	590948	9.27
		Increase/Decrease	30000	(0.28)	30000	(0.28)
		At the end of the year	620948	8.99	620948	8.99

2	DHARMESH S. ANJARIA	At the beginning of the year	386220	6.06	386220	6.06
		Increase/Decrease	250000	3.15	250000	3.15
		At the end of the year	636220	9.21	636220	9.21
3	PARAG J. DALAL	At the beginning of the year	377200	5.91	377200	5.91
		Increase /Decrease	250000	3.17	250000	3.17
		At the end of the year	627200	9.08	627200	9.08
4	NILAM SHIRISH ANJARIA	At the beginning of the year	364602	5.72	364602	5.72
		Increase/Decrease	0	(0.44)	0	(0.44)
		At the end of the year	364602	5.28	364602	5.28
5	JIGNA D ANJARIA	At the beginning of the year	211463	3.32	211463	3.32
		Increase/Decrease	0	(0.26)	0	(0.26)
		At the end of the year	211463	3.06	211463	3.06
6	DEVANGI PARAG DALAL	At the beginning of the year	189640	2.97	189640	2.97
		Increase/Decrease	0	(0.22)	0	(0.22)
		At the end of the year	189640	2.75	189640	2.75
7	HASUMATI DALAL	At the beginning of the year	64816	1.02	64816	1.02
		Increase/Decrease	0	(0.08)	0	(0.08)
		At the end of the year	64816	0.94	64816	0.94
8	SHIRISH M. ANJARIA (H.U.F)	At the beginning of the year	3543	0.06	3543	0.06
		Increase/Decrease	0	(0.01)	0	(0.01)
		At the end of the year	3543	0.05	3543	0.05
9	TRIGEM INFOSOLUTIONS LIMITED	At the beginning of the year	71475	1.21	71475	1.21
		Increase/Decrease	0	0.18	0	0.18
		At the end of the year	71475	1.03	71475	1.03
10.	PARAG J. DALAL (H.U.F)	At the beginning of the year	60077	0.94	60077	0.94
		Increase/Decrease	0	(0.07)	0	(0.07)
		At the end of the year	60077	0.87	60077	0.87

*Note- The Company has converted 5,30,000 warrants into Equity shares on 03.01.2018 which issued on preferential basis on 31.03.2017 and application for listing of Equity shares is in process with BSE Ltd and NSE Limited.

D) Shareholding Pattern of top ten Shareholders: -

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	*Name of top ten shareholder	Shareholding at the beginning of the year as on 1.4.2017		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2018	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sanjay Sohanlalji Jain	72245	1.13	(72245)	(1.13)	0	0.00
2	Jagannath D Devadiga	62807	0.98	0	0.00	62807	0.98
3	Vishal Ginchandra Chapper	49349	0.77	0	0.00	49349	0.77
4	Shashi Bhala	35136	0.55	13092	0.20	48228	0.75
5	Padamaben Rameshchandra Joshi	45099	0.70	(43083)	(0.67)	2016	0.03
6	Mastermind Financial Services Pvt. Ltd.	40000	0.62	0	0.00	40000	0.62
7	Shivani Miglani	37839	0.59	1000	0.01	38839	0.60
8	Kishore Pratapsinh Kajaria	38714	0.60	0	0.00	38714	0.60
9	Rajshree Kishore Kajaria	37067	0.57	0	0.00	37067	0.57
10	Ajith P Mathew	36157	0.56	0	0.00	36157	0.56
11	Bhavinkumar Ramanlal Panchal	8804	0.13	26696	0.42	35500	0.55
12	Vivekanand Gangaramani	0	0.00	31500	0.49	31500	0.49

*Note: The above details are given as on 31st March, 2018. The Company is listed and 91.72% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year as on 1.4.2017		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Shirish Anjaria (Chairman cum Managing Director)	590948	9.27	30000	(0.28)	620948	8.99
2	Mr. Dharmesh Anjaria (Whole-time director)	386220	6.06	250000	3.15	636220	9.21
3	Mr. Parag Dalal (Whole-time director)	377200	5.91	250000	3.17	627200	9.08
4	Mr. Dilip Palicha (Independent Director)	-	-	-	-	-	-
5	Mr. Viren Shah (Independent Director)	-	-	-	-	-	-
6	Mrs. Archana Phadke (Independent Director)	80	-	-	-	80	-
7	Mr. Jitesh Jain (Independent Director)	-	-	-	-	-	-
8	Mr. Ravi Singh (Company Secretary)	-	-	-	-	-	-

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,990.03	0	0	1,990.03
ii) Interest due but not paid	-	0	0	-
iii) Interest accrued but not due	-	0	0	-
Total (i+ii+iii)	1,990.03	0	0	1,990.03
Change in Indebtedness during the financial year				
* Addition	1577.10			1577.10
* Reduction	(20.00)			(20.00)
Net Change	1557.10	0	0	1557.10

Indebtedness at the end of the financial year		0	0	
i) Principal Amount	3547.13	0	0	3547.13
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3547.13	0	0	3547.13

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name			Total
		Mr. Shrirish M. Anjaria	Mr. Parag J. Dalal	Mr. Dharmesh S. Anjaria	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1978800	1648800	1648800	5276400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	121200	151200	151200	423600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	2100000	1800000	1800000	5700000
	Ceiling as per the Act	2400000	2400000	2400000	7200000

B. REMUNERATION TO OTHER DIRECTORS- Sitting fees

The details of sitting fees/remuneration paid to the Directors for the year 2017-2018 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meeting (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
1	Mr. Jitesh Jain	20000	0	0	20000
2	Mr. Dilip Palicha	20000	0	0	20000
3	Mr. Viren Shah	20000	0	0	20000
4	Mrs. Archana Phadke	20000	0	0	20000

During the year 2017-2018, the Company paid sitting fees of Rs. 80,000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board for the F.Y. 2017-2018. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personne			
		CEO	CS Ravi Singh	CFO#	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	82800	0	82800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	30000	0	30000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	112800	0	112800

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 Director's Reports**Form No. MR-3**

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

To,

The Board of Directors,

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN: L72200MH1995PLC093130

78, Ratnajyot Industrial Estate, Irla Lane

Vile Parle (W),

Mumbai- 400056.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation pertaining to compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and based on the management representation, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the Company has not issued any shares ESOP measure during the financial year under review;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not issued any debt securities;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agents during the financial year under review.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted or propose to delist its equity shares from any stock exchange during the financial year under review;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not brought back/ propose to buyback any of its securities during the financial year under review;

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

- (i) Secretarial Standards (SS – 1 & SS – 2) issued by the Institute of Company Secretaries of India approved by the Central Government, effective from July 1, 2015.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

As informed by the Company, no industry specific Acts, Rules are applicable to the Company.

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

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

The Company had received notice to pay fine via e-mail dated 12.02.2017 from BSE Limited ("BSE") and dated 08.03.2018 from National Stock Exchange of India Limited("NSE"), under Regulation 108 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in the matter of delay of 11 days and 15 days respectively for delay in filing of the listing application on conversion of 5,30,000 warrants into Equity shares for which fine of Rs. 2,20,000 and Rs. 3,00,000 was charged by BSE and NSE respectively. The Company made an adequate reply and paid the fine amount to both the exchanges.

I further report that:

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

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

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

As informed, the Company has reasonably responded to notices for demands, claims, penalties etc. levied by various statutory regulatory authorities and initiated actions for corrective measures, wherever necessary. There was no prosecution initiated and no fines (except for the additional fees paid by the Company for delay in filing of the necessary e-Forms with the Ministry of Corporate Affairs, wherever required, and fine for delay in filing of the listing application for conversion of 5,30,000 warrants into Equity shares at BSE Limited and National Stock Exchange of India Limited).

I further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

1. During the audit period, the Company had converted 5,30,000 warrants into Equity shares on 03.01.2018 and application for listing is in process at BSE Limited and National Stock Exchange of India Limited).

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

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

Place : Mumbai
Date : August 30, 2018

Annexure A

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

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

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

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

Place : Mumbai
Date : August 30, 2018

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 into during the year ended March 31, 2018, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

There were no material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018.

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum
Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.: 00409894

ANNEXURE IV to the Directors' Reports

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year**

Executive Directors	Ratio to Median Remuneration
Shirish Anjana	19.73
Parag Dalal	16.92
Dharmesh Anjaria	16.92

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

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

- (c) **The percentage increase in the median remuneration of employees in the financial year: 95.24%**

Note: Percentage in bracket represents negative percentage.

- (d) **The number of permanent employees on the rolls of company: 1445.**

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

On an average, employees received an increase of 18%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

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

Particulars	(₹ in Lakhs)
Remuneration of Key Managerial Personnel (KMP) during financial year 2017-18 (aggregated)	58.13
Revenue from operations	21,069.54
Remuneration (as % of revenue)	0.28%
Profit before tax (PBT)	283.78
Remuneration (as % of PBT)	0.21%

- (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;**

		As at	As at	
Particulars	Unit	31st March, 2018	31st March, 2017	variation %
Closing rate of share at BSE	₹	35.06	19.00	84.53
Closing rate of share at NSE	₹	35.95	19.10	88.22
EPS(consolidated)	₹	3.22	2.04	57.85
Market capitalization	₹/Lakhs			
BSE		2422	1212	99.83
NSE		2483	1218	103.85
Price Earnings Ratio	Ratio			
BSE		10.88	9.31	16.86
NSE		11.16	9.36	19.23

- (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 2016-17 was 18%. Percentage increase in the managerial remuneration for the year was Nil.

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

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	Rs. /Lac	Rs./Lac	Rs. /Lac
Remuneration	21.00	18.00	1.12
Revenue from operations	21,069.54	21,069.54	21,069.54
Remuneration (as % of revenue)	0.09%	0.08%	0.10%
Profit before Tax (PBT)	283.78	283.78	283.78
Remuneration (as % of PBT)	9%	8%	1%

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

No Variable Component in the Remuneration availed by Directors

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

Not applicable.

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

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is

- (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 Anjarla
Chairman cum
Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.: 00409894

Place: Mumbai
Date: August 30, 2018

Annexure - V**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in USD:

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Dynacons Systems & Solutions Pte. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same As Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
4.	Share capital	7678
5.	Reserves & surplus	25759
6.	Total assets	42716
7.	Total Liabilities	9279
8.	Investments	0
9.	Turnover	462120
10.	Profit before taxation	27482
11.	Provision for taxation	1723
12.	Profit after taxation	25759
13.	Proposed Dividend	0
14.	% of shareholding of holding company	100%

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum
Managing Director
Din no.: 00444104

Parag Dalal
Executive Director
Din no.: 00409894

Place: Mumbai
Date: August 30, 2018

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Our corporate governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders of all times. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of Dynacons Systems & Solutions Limited ('the Company'). It firmly believes and has consistently endeavored to practice good Corporate Governance.

The 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 adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders and strive to conduct its business and strengthen its relationships in a manner that is dignified, distinctive and responsible.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company aims at maximizing the Shareholders' value with improvement in performing of the Company and protecting the interests of all the stakeholders through increased transparency in its operations and compliance of statutory requirements.

The Securities and Exchange Board of India (SEBI) has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') on September 2, 2015. The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (k) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. Listing regulations mandate that for a company with a non-executive chairman, at least one-third of the Board should be independent directors.

Dynacons Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Directors are provided with well structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. None of the Directors are related to each other except Mr. Shirish Anjaria and Mr. Dharmesh Anjaria.

COMPOSITION AND CATEGORY

As on March 31, 2018 our Board comprised of **SEVEN** Directors of whom one is Chairman cum Managing Director, two are Whole time Directors and Four are Non-Executive Directors. All the Four Non- Executive Directors are Independent Directors. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company.

ROLE OF BOARD OF DIRECTORS

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

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

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by Regulation 25 of the Listing Regulations as of March 31, 2018, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors

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 Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and per SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than these, none of the Directors are related.

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

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

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

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

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

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

The Number of Directorships and the positions held on Board, Committees by the Directors are in conformity with the limits on the number of Directorships and Board committee positions as laid down in the Act and the Listing Agreement. During the year 2017-18, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Eight Board Meetings were held during the year 2017-2018. The Board Meetings are held at the Registered Office of the Company.

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

May 11, 2017, June 16, 2017, September 01, 2017, September 13, 2017, October 30, 2017, December 11, 2017, January 03, 2018 and February 13, 2018.

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

3. AUDIT COMMITTEE

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

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

Name of the Director	Category	No. of Meetings attended
Mr. Jitesh Jain	Non-Executive & Independent Director	6
Mr. Viren Shah	Non-Executive & Independent Director	6
Mr. Dilip Palicha	Non-Executive & Independent Director	6

The Committee is presently chaired by Mr. Jitesh Jain, Chartered Accountant. Mr. Jain is a senior Chartered Accountant with more than a decades of varied experience in the fields of Bank, Government and Corporate Audits, Project Preparation and Reporting, Management Consultancy and Finance. A dynamic professional of multi-faced experience in Banking industry in the key areas of General banking, Credit operation, Export Credit Finance, Treasury & International Banking Operations consisting of International division and Funds & Investment of domestic treasury and Investment, Risk Management Operations, Client Relationship Management, Team Management, HR Policy, Internal Risk Management policy, Information & Technology Policy etc. Based on his experience, he was appointed as a Chairman of Audit Committee meeting.

The Audit Committee met Eight times during the financial year 2017-2018 on the following dates: May 11, 2017, June 16, 2017, September 01, 2017, September 13, 2017, October 30, 2017, December 11, 2017, January 03, 2018, and February 13, 2018.

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.
- To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements.
- To review the functioning of the Whistle Blower Mechanism.
- Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following:
 - Matters required to be included in the Director's Responsibility Statement.
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management
 - Significant adjustment arising out of audit.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Qualification in draft audit report.
- Any related party transaction, i.e., transaction of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.

4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

- To approve the annual Remuneration of the Directors and Employees of the Company.

- To review the performance of the Chairman and Managing Director and the Whole-time Directors after considering the company's performance.
- To review overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s).

The Nomination and Remuneration committee consists of Non-Executive Directors with the Chairman being an Independent Director. The members of Committee were Mr. Dilip Palicha, Mr. Viren Shah and Mr. Jitesh Jain. The Committee is chaired by Mr. Viren Shah. The Nomination and Remuneration committee met once during the year. Company Secretary of the Company acted as the Secretary to the Committee.

Remuneration Policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. Remuneration of employees largely consists of basic remuneration and performance incentives. The Company while deciding the remuneration package takes into consideration the employment scenario, remuneration package of the industry and the remuneration package of other Industries.

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

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

Name of the Director	Category	No. of Meetings attended
Mr. Viren Shah	Non-Executive & Independent Director	1
Mr. Dilip Palicha	Non-Executive & Independent Director	1
Mr. Jitesh Jain	Non-Executive & Independent Director	1

Details of Remuneration to the Executive Directors for the year ended March 31, 2018

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

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

5. STAKEHOLDERS RELATIONSHIP & GRIEVANCE COMMITTEE

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Act.

Functions

Name of the Director Category No. of Meetings attended Mr. Viren Shah Non-Executive & Independent Director 3. Mr. Dilip Palicha Non-Executive & Independent Director 4. Mr. Jitesh Jain Non-Executive & Independent Director 3. Mrs. Archana Phadke Non-Executive & Independent Director 3. The Shareholders

Committee is chaired by Mr. Dilip Palicha. Mr. Ravishankar Singh, Company Secretary of the Company is the Compliance Officer of the Company. The composition of the committee and details of the meetings attended by the Directors are given below:

Name of the Director	Category	No. of Meetings attended
Mr. Viren Shah	Non-Executive & Independent Director	3
Mr. Dilip Palicha	Non-Executive & Independent Director	4
Mr. Jitesh Jain	Non-Executive & Independent Director	3
Mrs. Archana Phadke	Non-Executive & Independent Director	3

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

The Committee in particular looks into:

1. To oversee and review redressal of shareholder and investor grievances, on matters relating to transfer of securities, non-receipt of annual report, non-receipt of dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company, if any.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.
7. Any other matters that can facilitate better investor services and relations.

During the year under review, 30 complaints were received from shareholders/investors of which Nil complaints were unreplied/unresolved as on 31.03.2018, The numbers of pending share transfers as on March 31, 2018 were Nil.

6. RISK MANAGEMENT COMMITTEE

The risk management committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations, 2015. Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management committee consists of Non-Executive Directors with the Chairman being an Independent Director. The members of Committee were Mr. Dilip Palicha, Mr. Viren Shah, and Mr. Jitesh Jain. The Committee is chaired by Mr. Viren Shah. The Risk Management committee met once during the year.

The objectives and scope of the Risk Management Committee broadly comprises:

- Overview of risk management process performed by the executive management;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;

- Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

7. INDEPENDENT DIRECTORS' MEETING

During the year under review, as required under Schedule IV to the Companies Act, 2013 and the provisions of SEBI Listing Regulations, 2015, the Independent Directors met on December 11, 2018 without the presence of Executive Directors or members of management, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

8. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

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

The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.dynacons.com to enable them to familiarize with the Company's procedures and practices.

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

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

9. POLICY FOR REMUNERATION OF NON – EXECUTIVE DIRECTORS

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- The remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Sitting fees

For the year 2017-2018, the Company paid sitting fees of Rs. 80,000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The details of sitting fees paid to the Directors for the year 2017-2018 are as under :

Sr. No.	Name of the Director	Sitting Fees for attending Meeting (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
01	Mr. Jitesh Jain	20000	0	0	20000
02	Mr. Dilip Palicha	20000	0	0	20000
03	Mr. Viren Shah	20000	0	0	20000
04	Mrs. Archana Phadke	20000	0	0	20000

10. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees, after taking into consideration various things like inputs received from the Directors, functions of Board's such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Criteria for performance evaluation of Independent Directors includes:

1. Attendance and Participation
2. Maintaining confidentiality
3. Acting in good faith and in the interest of the company as a whole
4. Exercising duties with due diligence and reasonable care
5. Complying with legislations and regulations in letter and spirit
6. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
7. Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

11. REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Companies equity shares are listed in the requisite format duly signed by the Compliance Officer.

12. GENERAL BODY MEETINGS

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

- **22nd AGM** : September 29, 2017 at 4.30 P.M., at Hotel Planet Residency, Subhash Road, Adjacent to Garware House, Vile Parle (East), Mumbai-400057.

Number of Special Resolutions passed: 1

Details of Special Resolution are as follows:

1) Borrowing Powers

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

- **21st AGM** : September 30, 2016 at 4.30 P.M., at Hotel Planet Residency, Subhash Road, Adjacent to Garware House, Vile Parle (East), Mumbai-400057.

Number of Special Resolutions passed: 3

Details of Special Resolution are as follows:

1. Appointment of Mr. Shirish Anjaria (Din no.:00444104) as Chairman cum Managing Director
2. Appointment of Mr. Parag Dalal (Din no.: 00409894) as Whole-time Director.
3. Appointment of Mr. Dharmesh Anjaria (Din no.:00445009) as Whole-time Director

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

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

Number of Special Resolutions passed: 3

Details of Special Resolution are as follows:

1. Alteration in the Articles of Association of the Company
 2. Issue of upto 4,55,000 Equity shares on a preferential issue basis to the promoter/ promoter group.
 3. Issue of upto 27,95,000 Warrants Convertible into Equity Shares of the Company on preferential basis to promoter/promoter group and others.
- **20th AGM** : September 30, 2015 at 2.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai - 400058.

Number of Special Resolutions passed: 1

Details of Special Resolution are as follows:

- 1) Adoption of new set of Articles of Association of the Company

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

13. CODE OF CONDUCT

The Board of Directors has laid down Code of conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non Executive Directors are uploaded on the website of the Company – www.dynacons.com

14. SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/ DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

Pursuant to Section 177 of the Companies Act, 2013 and under Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has adopted Vigil Mechanism (Whistle Blower Policy) for the directors and employees of the Company to deal with instances of fraud and mismanagement, if any and to 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) Related party Transactions:

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company at <http://dynacons.com/policy-on-related-party-transactions.htm>

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) Proceeds from public issues, right issues, preferential issues etc.:

The Company had allotted 27,95,000 Warrants convertible into Equity of Rs. 20 each including a premium of Rs. 10 each which were offered, issued and allotted to promoter, promoter group and others, of which 5,30,000 warrants were converted into equity shares on 03.01.2018 and the same are in process for listing on National Stock Exchange of India Limited and BSE Limited.

d) Management Discussion and Analysis Report:

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

e) Details of non-compliance by the Company, penalties, restrictions imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years:

The Company had received a show cause in the matter of Dynacons Technologies Limited, issued by SEBI dated 15th March, 2017 for non-compliance of the provisions of Regulations 30(1) and 30(2) read with Regulation 30(3) of SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011 for the year ended on March 31, 2013 and March 31, 2014. The Company has made an adequate reply to SEBI and the matter is pending for a hearing.

The Company had also received notice via e-mail dated 12.02.2017 from BSE Limited("BSE") and dated 08.03.2018 from National Stock Exchange of India Limited("NSE"), under Regulation 108(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in the matter of delay of 11 days and 15 days respectively for filing of the listing application on conversion of 5,30,000 warrants for which penalty of Rs. 2,20,000 and Rs. 3,00,000 is charged by BSE and NSE respectively. The Company has made an adequate reply to SEBI and paid the penalty amount.

f) A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit, the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The audit confirms that the Company had converted 5,30,000 Warrants convertible into Equity shares on 03.01.2018 and application for listing of Equity shares is in process with BSE Ltd. and NSE Limited.

g) The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures.

h) 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. No person has been denied access to the Chairman of the Audit Committee.

i) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director & CFO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link http://dynacons.com/code_of_conduct.htm

j) Terms of Appointment of Independent Directors

Terms and conditions of appointment of Independent Directors are available on the Company's website at the web link <http://dynacons.com/independent-directors-T&C.htm>

k) Shareholders

(i) The Company has sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.

(ii) Mr. Dharmesh Anjaria is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

(iii) The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: <http://www.dynacons.com/policy-on-material-subsidiaries.htm>

(iv) The disclosure of commodity price risks and commodity hedging activities: Not applicable.

l) Auditors' certificate on corporate governance

As required by Schedule V of the Listing Regulations, the Auditors' certificate on corporate governance is enclosed as an Annexure to the Board's Report.

m) Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has not adopted the non-mandatory requirement as specified in the Listing Regulations.

17. POLICY FOR PROHIBITION OF INSIDER TRADING

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

18. CEO & CFO Certification

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

19. COMPLIANCE ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Regulations 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published in the Annual Report.

20. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are widely published in Leading newspapers, which includes Financial Express in English language and in local language newspapers, which includes Mumbai Lakshadweep in Marathi language. After adoptions by the Board of Directors in their Board Meetings the financial results and official news releases are posted on the Company's website: www.dynacons.com. The Management Discussion and Analysis Report is a part of the Annual Report for the year.

21. GENERAL SHAREHOLDER INFORMATION

21.1 Annual General Meeting:-

- Date and Time	September 29, 2018 at 02.30 P.M
- Venue	Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058

21.2 Financial Calendar: - (Tentative)

April'18 – March'19

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
- Annual Results

Second week of May
End of May

21.3 Book Closure Date

September 23, 2018 to September 29, 2018 (Both days inclusive)

21.4 Dividend Payment Date

N.A.

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

Name	Code Nos.
The BSE 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 2018-2019 have been duly paid to all the above Stock Exchanges.	
(e) Corporate Identification Number(CIN)	L72200MH1995PLC093130

21.6 Stock Market Data

Month	Bombay Stock Exchange (BSE) (in ₹)		National Stock Exchange (NSE) (in ₹)	
	Month's high price	Month's low price	Month's high price	Month's low price
April 2017	24.90	18.05	24.65	18.50
May 2017	26.00	17.70	26.00	18.00
June 2017	27.45	19.05	27.00	19.00
July 2017	34.25	19.20	33.85	19.55
Aug 2017	40.30	24.30	40.25	24.20
Sep 2017	48.75	35.20	48.85	35.25
Oct 2017	40.40	33.75	40.00	33.40
Nov 2017	40.35	30.30	40.40	30.00
Dec 2017	51.45	33.55	51.20	34.10
Jan 2018	66.00	42.80	66.00	44.05
Feb 2018	45.60	36.05	46.00	36.40
Mar 2018	45.90	34.45	45.90	33.75

21.7 Registrar and transfer Agents:

Bigshare Services Pvt. Ltd.
SEBI Regn. No. INR 00001385
1st Floor Bharat Tin Works
Building, Opp. Vasant Oasis,
Makwana Road,
Marol. Andheri East,
Mumbai - 400 059
Tel : 022 - 62638200/206
Fax: 022 - 62638299

21.8 Share Transfer System

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

21.9 Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	No. of Folios	% of Total	Total Holding in Rupees	% of Total
1-5000	11584	90.05	12649210	18.31
5001-10000	674	05.24	5288190	07.66
10001-20000	325	02.53	4964480	07.19
20001-30000	97	00.75	2477790	03.59
30001-40000	52	00.40	1899150	02.75
40001-50000	37	00.29	1709360	02.47
50001-100000	44	00.34	3089710	04.47
100001-9999999999	51	00.40	37002910	53.56
Total	12864	100	69080800	100

Note : The Company had converted 5,30,000 warrants into equity shares on 03.01.2018 and the same are in process for listing on National Stock Exchange of India Limited and BSE Limited.

21.10 Shareholding of Directors

Sr. No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shish Anjana	620948	8.99
2.	Mr. Dharmesh Anjaria	636220	9.21
3.	Mr. Parag Dalal	627200	9.08
4.	Mr. Dilip Palicha	Nil	Nil
5.	Mr. Viren Shah	Nil	Nil
6.	Mrs. Archana Phadke	80	0.00
7.	Mr. Jitesh Jain	Nil	Nil

Note: The Company had converted 5,30,000 warrants into equity shares on 03.01.2018 and the same are in process for listing on National Stock Exchange of India Limited and BSE Limited.

21.11 Dematerialization of Shares as on March 31, 2018

Total No. of shares	Shares in physical form	Percentage %	Share in demat form	Percentage %
6,908,080	571705	8.27%	6336375	91.73%

21.12 Shareholding Pattern as on March 31, 2018

Category	No of Shares held	Percentage of Shareholding
Clearing Member	26367	00.38%
Corporate Bodies	244165	03.53%
Corporate Bodies (Promoter Company)	71475	01.03%
Non Resident Indians	181884	02.63%
Promoters/Directors	1947988	28.20%
Public	3605400	52.19%
Relative of Director	830521	12.02%
Nationalised Banks	280	00.02%
Total	6908080	100%

Note: The Company had converted 5,30,000 warrants into equity shares on 03.01.2018 and the same are in process for listing on National Stock Exchange of India Limited and BSE Limited.

21.13 Capital of the Company: The authorized and paid-up capital of your Company is Rs. 300,000,000 and Rs. 69,080,800 respectively.

21.14 Outstanding GDRs / ADRs / Warrants: The Company has 22,65,000 outstanding warrants which are to be converted into equity shares.

21.15 Compliance Officer : Mr. Ravishankar Singh

21.16 Address for Investor Correspondence : Bigshare Services Pvt. Ltd.
SEBI Regn. No. INR 00001385
1st Floor Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400 059
Tel : 022 – 6263 8200 / 206
Fax: 022 – 6263 8299

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

21.17 Corporate Ethics:

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

**The Board of Directors
Dynacons Systems & Solutions Ltd.
Mumbai**

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

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

For Dynacons Systems & Solutions Ltd

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

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

Place : Mumbai
Dated : May 30, 2018

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**The Board of Directors
Dynacons Systems & Solutions Ltd.
Mumbai.**

We have examined the compliance of the conditions of Corporate Governance by Dynacons Systems & Solutions Limited for the year ended 31st March, 2018 as per Regulations 17-27, clauses (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

1. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Pinakee Parikh
Partner
Membership No: 148186

Place : Mumbai
Dated : May 30, 2018

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – www.dynacons.com

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2018.

For Dynacons Systems & Solutions Ltd.

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place : Mumbai

Dated : May 30, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Dynacons Systems & Solutions Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of **DYNACONS SYSTEMS & SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial Statement")

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matter

1. The audit of comparative Standalone financial information for the year ended March 31, 2017 and April 1, 2016 as per previous GAAP included in this Statement was carried out and reported by predecessor auditor/s vide their unqualified audit report dated May 11, 2017 and April 26, 2016. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** "a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as on March 31, 2018 on its financial position in its standalone Ind AS financial statements. Refer to Note 31 of Notes to Accounts forming part of standalone Ind AS financial statements.
 - ii. The Company has long term contracts as at March 31, 2018 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2018.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

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

Pinakee Parikh
 Partner
 (Membership No. 148186)

Place : Mumbai
Date : May 30, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable properties, hence the clause 1(c) of the Order are not applicable to the Company and hence not commented upon.
- ii. Physical verification of inventories has been conducted at reasonable intervals by the management. The Company is generally maintaining proper records of inventory and no material discrepancies were noticed on physical verification between physical stock and the books records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties, covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans or made any investments or given loans or guarantees or securities to the parties or other parties, covered under the provisions of Sections 185 and 186 of the Act.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section(1) of Section 148 of the Act, in respect of the activities carried out by the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Details of dues of Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs. in lakhs)
Value Added Tax	FY 2008-09	Deputy Commissioner of Sales tax appeals	11.14

- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to banks or Non Banking Financial Companies. The Company does not have any loans or borrowings from government or has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys by way of Initial public offer or further public offer including debts instruments. Term Loans for the purposes of acquiring Vehicles were applied for the purpose for which those are raised.
- x. To the best of our knowledge and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable. for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone IndAS financial statements as required by the applicable accounting standards.
- xiv. The company has made preferential allotment of shares during the year under review. Based upon the audit procedures performed and the information and explanation given by management, we report that the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which funds were raised.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence provisions of clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Pinakee Parikh
 Partner
 (Membership No. 148186)

Place : Mumbai
Date : May 30, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (l) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **DYNACONS SYSTEMS & SOLUTIONS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pinakee Parikh
Partner
(Membership No. 148186)

Place : Mumbai
Date : May 30, 2018

Standalone Balance Sheet as at 31 Mar, 2018

(₹ in Lakhs)

Particulars	Note No	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	284.52	303.07	346.15
(b) Investment in Subsidiaries	4	5.05	5.05	-
(c) Financial Assets				
(i) Investments	5	0.89	1.28	1.09
(ii) Long-Term Loans and Advances	6	-	-	292.12
		290.47	309.40	639.36
2 Current assets				
(a) Inventories	7	1,380.78	919.32	882.08
(b) Financial Assets				
(i) Trade receivables	8	3,953.57	2,849.46	3,035.29
(ii) Cash and cash equivalents	9	684.60	796.28	494.70
(iii) Bank balances other than mentioned in cash and cash equivalents	10	200.14	127.71	130.79
(iv) Short Term Loans and Advances	11	9.89	11.41	7.04
(v) Other Financial Assets	12	311.52	117.06	-
(c) Other Current Assets	13	110.84	168.65	-
		6,651.43	4,989.89	4,329.87
TOTAL ASSETS		6,941.90	5,299.30	4,969.24
B EQUITY AND LIABILITIES				
1 Equity				
(a) Share Capital	14	690.81	637.81	592.31
(b) Other Equity	15	1,623.41	1,404.65	1,094.53
		2,314.22	2,042.46	1,686.84
2 Non-current liabilities				
(a) Financial Liabilities				
Long-Term Borrowings	16	49.70	67.40	63.15
(b) Long-Term Provisions	17	68.47	47.61	30.45
(c) Deferred Tax Liabilities (Net)	18	26.38	34.53	48.47
(d) Other non-current liabilities	19	6.93	3.61	7.52
		151.47	153.16	149.59
3 Current liabilities				
(a) Financial Liabilities				
(i) Short-Term Borrowings	20	3,479.55	1,922.63	2,009.07
(ii) Trade Payables	21	583.78	694.90	758.79
(iii) Other Financial Liabilities	22	17.88	20.18	14.53
(b) Other Current Liabilities	23	395.00	465.98	350.43
		4,476.21	3,103.68	3,132.81
TOTAL EQUITY AND LIABILITIES		6,941.90	5,299.30	4,969.24

Notes on Financial Statements 1-31

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

Pinakee Parikh
 Partner
 Membership No. 148186

Place : Mumbai
 Date : May 30, 2018

For and on behalf of the Board of Directors

Shirish Anjaria
 Chairman cum Managing Director
 DIN:00444104

Dharmesh Anjaria
 Executive Director
 DIN:00445009

Parag Dalal
 Executive Director
 DIN:00409894

Ravishankar Singh
 Company Secretary

Standalone Profit and Loss Statement for the Year Ended 31 Mar 2018

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31 Mar, 2018	For the year ended 31 Mar, 2017
1	INCOME			
(a)	Revenue from Operations	24	21,069.54	15,829.02
(b)	Other Income	25	83.30	53.53
2	Total Revenue		21,152.84	15,882.55
3	EXPENSES			
(a)	Purchases of Stock-in-Trade	26	18,283.28	14,146.55
(b)	Changes in Inventories Of Stock-In-Trade	27	(461.46)	(257.27)
(c)	Employee Benefits Expense	28	2,046.68	1,104.89
(d)	Finance Costs	29	354.06	261.24
(e)	Depreciation And Amortisation Expense		76.10	60.83
(f)	Other Expenses	30	570.40	401.93
4	Total Expenses		20,869.07	15,718.18
5	Profit before tax		283.78	164.36
6	Tax Expense:			
(a)	Current Tax		104.24	54.75
(b)	Deferred Tax		(9.54)	(14.25)
			94.70	40.50
7	Profit for the period		189.07	123.86
8	Other Comprehensive Income			
(i)	Items that will not be reclassified to profit or loss			
	Measurement of defined employee benefit plan		4.96	1.13
	Fair value measurement of investment in equity instruments and mutual funds		(0.39)	0.19
			4.57	1.33
(ii)	Income tax relating to items that will not be reclassified to profit or loss		1.38	0.31
	Total Other Comprehensive Income		3.19	1.01
9	Total comprehensive income for the year		192.26	124.87
10	Earnings per equity share (Profit for the year)			
(i)	Basic (In ₹)		2.91	2.09
(ii)	Diluted (In ₹)		2.06	1.35
	Notes on Financial Statements	1-31		

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

Pinakee Parikh
Partner
Membership No. 148186

Place : Mumbai
Date : May 30, 2018

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN: 00444104

Dharmesh Anjaria
Executive Director
DIN: 00445009

Parag Dalal
Executive Director
DIN: 00409894

Ravishankar Singh
Company Secretary

Standalone Cash Flow Statement for the Year Ended 31 Mar 2018

		(₹ In Lakhs)	
Particulars		For the Year ended 31 Mar, 2018	For the Year ended 31 Mar, 2017
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before Tax and extraordinary items	283.78	184.36
Add	Depreciation	76.10	60.83
	(Profit)/Loss on sale of Fixed Assets	0.00	11.89
	Finance Costs	354.06	261.24
	Measurement of defined employee benefit plan	0.00	1.13
		430.16	335.10
	<i>Operating profit before working Capital</i>	713.94	499.46
	Changes in current assets and liabilities		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(461.46)	(257.27)
	Trade receivables	(1,104.11)	185.83
	Other current financial assets	(265.47)	(118.35)
	Other current assets	65.86	151.82
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(106.17)	(63.89)
	Other current financial liabilities	(2.30)	5.65
	Other current liabilities	(70.98)	115.55
	Other non current liabilities	3.31	(3.90)
	Provisions	20.87	17.15
		(1,920.44)	32.61
	<i>Cash Generated from Operations</i>	(1,206.50)	532.07
	Taxes paid	(112.29)	(83.10)
	<i>Net Cash Flow from operating activities</i>	(1,318.79)	448.97
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(57.55)	(40.58)
	Sale of Fixed Assets	0.00	10.93
	Investments	0.00	(5.05)
	<i>Net Cash Used for Investing Activities</i>	(57.55)	(34.70)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Share Capital	0.00	45.50
	Share Premium	0.00	45.50
	Money received against share warrants	79.50	139.75
	Repayment of long-term borrowings	(17.70)	4.25
	Short-term borrowings (net)	1,556.93	(88.45)
	Interest Paid	(354.06)	(261.24)
	<i>Net cash From Financing Activities</i>	1,264.86	(112.69)
D	Net Increase in Cash and Cash Equivalents (A+B+C)	(111.68)	301.58
E	Cash and Cash Equivalents at the beginning of the year (As per Note 9)	796.28	494.70
F	Cash and Cash Equivalents at the end of the year (As per Note 9)	684.60	796.28
		(111.68)	301.58

Explanatory notes to Statement of Cash Flows:

- The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs
- In Part A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

The accompanying notes are an integral part of the financial statements

Notes on Financial Statements

1-31

As per our report of even date attached

For M S P & CO.

Chartered Accountants

Firm Registration 107565W

Pinakee Parikh

Partner

Membership No. 148186

Place : Mumbai

Date : May 30, 2018

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

DIN:00444104

Dharmesh Anjaria

Executive Director

DIN:00445009

Parag Dalal

Executive Director

DIN:00409894

Ravishankar Singh

Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2018

A. Equity Share Capital (Note No. 14)

(₹ in Lakhs)

Particulars	Equity Share Capital
As at 1st April 2016	592.31
Changes in Equity Share Capital	45.50
As at 31st March 2017	637.81
Changes in Equity Share Capital	53.00
As at 31st March 2018	690.81

B. Other Equity (Note No. 15)

(₹ in Lakhs)

	Reserves and Surplus		Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
Balance as at 1st April 2016	-	1,094.53	-	-	1,094.53
Total other Comprehensive Income for the year	-	-	1.01	-	1.01
Additions during the year	45.50	123.86	-	-	169.36
Balance as at 31st March 2017	45.50	1,218.39	1.01	-	1,264.90
Balance as at 1st April 2017	45.50	1,218.39	1.01	-	1,264.90
Total other Comprehensive Income for the year	-	-	3.19	-	3.19
Additions during the year	53.00	189.07	-	79.50	321.57
Issue of Equity Shares	-	-	-	(106.00)	(106.00)
Balance as at 31st March 2018	98.50	1,407.47	4.20	(26.50)	1,483.66
Notes on Financial Statements	1-31				

As per our report of even date attached

For and on behalf of the Board of Directors

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

Pinakee Parikh
Partner
Membership No. 148186

Shirish Anjaria
Chairman cum Managing Director
DIN:00444104

Dharmesh Anjaria
Executive Director
DIN:00445009

Parag Dalal
Executive Director
DIN:00409894

Ravishankar Singh
Company Secretary

Place : Mumbai
Date : May 30, 2018

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**Summary of significant accounting policies and other explanatory information****1. Company Overview**

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

2. SIGNIFICANT ACCOUNTING POLICIES :**2.1. BASIS OF PREPARATION****(i) Compliance with Ind AS**

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

(ii) Historical cost convention

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

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

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

2.2. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding discounts, VAT, GST and other applicable taxes and are recognized upon the performance of service or transfer of risk to the customer.

Revenue is recognized when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria different activities has been met. These activity-specific recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Sale of goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which coincides with dispatch or delivery of goods to customers as per terms of agreement with customers. Sales include excise duty, where applicable but exclude other taxes and is net of rebates and discounts.

Software Development:

Revenue from software development on time-and-material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the completion method.

Annual Maintenance Contract:

Revenue from Annual Maintenance Contracts and services is recognized over the life of the contracts.

Other Income

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

Sale of scrap:

Revenue from sale of scrap is recognized as and when scrap is sold.

2.3. Expenditure Recognition

Expenses are accounted on the accrual basis and provisions for all known losses and liabilities are made. Provisions are made for future unforeseeable factors, which may affect the ultimate profit on fixed price software development contracts. Expenses on software development on time-and-material basis are accounted for in the year in which it is expended. Expenses incurred for future software projects are carried forward and will be adjusted against revenue, based on the completion method. In case of new products, which are clearly defined and the costs are attributable to the products, such costs are deferred and amortized equally over a period of three to five years based on Management's evaluation of expected sales volumes and duration of the product life cycle.

2.4. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6. Property, plant and equipment**Buildings and other equipment**

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within other income or other expenses.

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

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

Impairment testing of intangible assets and property, plant and equipment

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

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

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

Depreciation

Depreciation on tangible assets is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by Management based on technical evaluation and advice. The residual value is 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

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

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

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

2.7. Research & Development Expenditure

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

2.8. Inventories

Inventories are valued at the lower of the cost and the net realizable value. Cost of finished goods includes excise duty, wherever applicable. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost is determined on a First in First out basis. A periodic review is made of slow-moving stock and appropriate provisions are made for anticipated losses, if any.

2.9. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Long-term investments other than investment in subsidiaries are valued at fair market value. Provision is made for diminution in value to recognize a decline, if any, other than that of temporary in nature. Current investments are valued at lower of cost and fair market value. Gains or losses that arise on disposal of an investment are measured as the difference between disposal proceeds and the carrying value and are recognised in the statement of profit and loss.

2.10. Foreign Currency transactions**Reporting and presentation currency**

The standalone financial statements are presented in Lakhs of Indian Rupees, which is also the functional currency of the Company.

Foreign currency transactions and balances

- i) **Initial Recognition:** Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) **Conversion:** At the year-end, monetary items in foreign currencies are converted into rupee equivalents at the year end exchange rates.
- iii) **Exchange Differences:** All exchange differences arising on settlement and conversions of foreign currency transactions are included in Other Comprehensive Income.

2.11. Retirement Benefits to employees**i. Post-employment benefit plans****Defined contribution plan**

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

Defined Benefit plan

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

ii. Short-term employee benefits

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

2.12. Income Tax

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

2.13. Borrowing Costs

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

2.14. 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.

2.15. Leases**Operating Lease**

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

Finance Lease

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals

is capitalized as fixed assets with corresponding amount shown as lease liability. The principle component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

2.16. Financial Instruments

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

Classification and subsequent measurement of financial assets

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

a. Amortized cost

b. Fair Value Through Other Comprehensive Income (FVTOCI)

or

c. Fair Value Through Profit and Loss (FVTPL)

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

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

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

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

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

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk

exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

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

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

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

2.17. Earnings per share

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

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

Notes forming part of the standalone financial statements for the year ended 31 Mar. 2018

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Furnitures & Fixtures	Vehicles (Cars)	Office Equipment	Computer	TOTAL
Gross block					
Deemed cost as at 1 April 2016	0.20	115.80	1.10	229.06	346.15
Additions	2.41	38.17	-	-	40.58
Disposals	-	41.74	-	-	41.74
Balance as at 31 March 2017	2.61	112.22	1.10	229.06	344.99
Additions	5.82	-	0.42	51.30	57.55
Disposals	-	-	-	-	-
Balance as at 31 March 2018	8.43	112.22	1.52	280.37	402.54
Accumulated depreciation / amortisation					
Balance as at 1 April 2016	-	-	-	-	-
Depreciation for the year	0.06	16.03	0.22	44.52	60.83
Reversal on disposal of assets	-	18.91	-	-	18.91
Balance as at 31 March 2017	0.06	2.88	0.22	44.52	41.91
Depreciation for the year	0.69	16.36	0.51	58.55	76.10
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2018	0.75	13.48	0.72	103.06	118.01
Net Block					
Balance as at 1 April 2016	0.20	115.80	1.10	229.06	346.15
Balance as at 31 March 2017	2.54	115.11	0.88	184.54	303.07
Balance as at 31 March 2018	7.68	98.75	0.80	177.30	284.52

- (i) charge has been created over property, plant and equipments of the company in regard to borrowings (Refer note 16.1)
- (ii) The Company has adopted carrying value as recognized in the financial statement as at 31st March, 2016, measured as per Previous GAAP as its deemed cost. Accordingly, its Net Block as on 31st March, 2016 is its Gross Block under Ind AS. Break up of the said Gross block as at 1st April, 2016 is as under:

(₹ in Lakhs)

Particulars	Gross Block	Ind AS Adjustment/ Reclassification	Accumulated Depreciation / Amortisation	Ind AS Adjustment/ Reclassification	Net Block
Furnitures & Fixtures	5.19	-	4.99	-	0.20
Vehicles (Cars)	152.65	-	36.85	-	115.80
Office Equipment	7.18	-	6.08	-	1.10
Computer	396.02	-	166.96	-	229.06
Total	561.03	-	214.88	-	346.15

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

	Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
4	INVESTMENT IN SUBSIDIARY			
	Equity Investment at cost			
	In Equity Shares - Unquoted, fully paid up			
	Dynacons Systems & Solutions PTE Ltd			
	7,678 (31st March, 2017 - 7,678) Equity Shares of US\$ 1/- each	5.05	5.05	-
	Total	5.05	5.05	-
	Extent of investment in subsidiaries			
	-Dynacons Systems & Solutions PTE Ltd	100.00%	100.00%	-
	Aggregate amount of:			
	-Unquoted investments	5.05	5.05	-
5	NON-CURRENT FINANCIAL ASSETS - INVESTMENTS			
	Investments designated at fair value through Other Comprehensive Income			
(ii)	In Equity Shares - Unquoted, fully paid up			
	Kapol Co-op Bank Ltd	0.51	0.51	0.51
	(5,125 (31st March, 2017 - 5,125, 1st April, 2016 - 5,125) Equity Shares of ₹ 10 each			
(iii)	In Equity Shares - Quoted, fully paid up			
	Dena Bank	0.38	0.77	0.58
	(2,000 (31st March, 2017 - 2,000, 1st April, 2016 - 2,000) Equity Shares of ₹ 10 each fully paid up)			
	Total	0.89	1.28	1.09
	Aggregate amount of:			
	-Quoted investments and market value thereof	0.38	0.77	0.58
	-Unquoted investments	0.51	0.51	0.51

(I) the Company has made an irrevocable election of accounting policy as at the adoption date 01st April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').

(ii) Investments at fair value through OCI reflect investment in quoted equity securities.

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
6 LONG TERM LOANS AND ADVANCES			
Non - Current			
(Unsecured and considered good)			
Security deposits	-	-	102.04
Advance income tax (Net of provisions)	-	-	184.09
Other loans and advances	-	-	6.00
Total	-	-	292.12

7 INVENTORIES			
(valued at lower of cost and net realisable value)			
Stock-in-trade	1380.78	919.32	662.06
Total	1380.78	919.32	662.06

Inventories of Rs. 1,380.78 lakhs (as at 31st March, 2017: Rs. 919.32 lakhs and as at 1st April, 2016: Rs. 662.06 lakhs) are hypothecated against working capital facilities from banks. (Refer note 20.1)

8. TRADE RECEIVABLES			
(Unsecured and Considered Good)			
Trade Receivables	3,953.57	2,849.46	3,035.29
Total	3,953.57	2,849.46	3,035.29

(I) Trade Receivables of Rs. 3,953.57 lakhs (as at 31st March, 2017: Rs. 2,849.46 lakhs and as at 1st April, 2016: Rs. 3,035.29 lakhs) are hypothecated against working capital facilities from banks. (Refer note 20.1)

(II) The carrying amount of the Trade Receivables are considered as a reasonable approximation of fair value as it is expected to be collected within twelve months, hence no provision is made for Expected credit Losses

9 CASH AND CASH EQUIVALENTS			
Cash on hand	9.09	5.95	11.06
Balances with banks in current accounts	3.12	233.36	3.15
Demand deposits with Banks	672.39	556.97	480.49
Total	684.60	796.28	494.70

Deposits Accounts of Rs. 672.39 lakhs (As at 31st March, 2017 Rs. 556.97 and as at 1st April, 2016 Rs. 480.49) pledged as margin money deposit for facilities from Banks. (Refer Note 20.1)

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

	Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
10	BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS			
	-Balances with bank held as margin money	200.14	127.71	130.79
	Total	200.14	127.71	130.79
	Fixed Deposit of Rs. 200.14 lakhs (As at 31st March, 2017 Rs. 127.71 lakhs and as at 1st April, 2016 Rs. 130.79 lakhs) pledged as margin money deposit for facilities from Banks. (Refer Note 20.1)			
11	SHORT TERM LOANS AND ADVANCES			
	(Unsecured and Considered Good)			
	Loans & Advances to employees	9.99	11.41	7.04
	Total	9.99	11.41	7.04
12	OTHER FINANCIAL ASSETS			
	(Unsecured and Considered Good)			
	Security Deposits	311.52	117.06	-
	Total	311.52	117.06	-
13	OTHER CURRENT ASSETS			
	Advance income tax (Net of provisions)	104.84	162.65	-
	Other loans and advances	6.00	6.00	-
	Total	110.84	168.65	-

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
14 EQUITY SHARE CAPITAL			
(a) Authorised Share Capital			
30,000,000 (As at 31st March, 2017: 30,000,000, As at 1st April, 2016 : 30,000,000) Equity shares of ₹ 10 each	3,000.00	3,000.00	3,000.00
(b) Issued, Subscribed and Fully Paid up :			
(69,08,080 (As at 31st March, 2017: 63,78,080, As at 1st April, 2016 : 59,23,080) Equity shares of ₹ 10 each)	690.81	637.81	592.31

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

Particulars	As at 31 Mar, 2018		As at 31 Mar, 2017		As at 1 Apr, 2016	
	No. of Shares	Amt	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	63,78,080	637.81	59,23,080	592.31	59,23,080	592.31
Issued during the year	5,30,000	53.00	4,55,000	45.50	-	-
Equity Shares at the end of the year	69,08,080	690.81	63,78,080	637.81	59,23,080	592.31

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

Name of the Shareholder	As at 31 Mar, 2018		As at 31 Mar, 2017		As at 1 Apr, 2016	
	Number of Shares Held	% holding	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjaria	6,20,948	8.99	5,90,948	9.27	3,60,948	6.09
Dhamesh Shirish Anjaria	6,36,220	9.21	3,86,220	6.06	3,56,220	6.01
Parag Jitendra Dalal	6,27,200	9.08	3,77,200	5.91	3,47,200	5.86
Nilam Anjaria	3,64,602	5.28	3,64,602	5.72	3,09,602	5.22

- 14.3 The Company has allotted 530,000 equity shares of Rs 10 each at a premium of ₹ 10 per share on a Preferential basis on Jan 3, 2018 against the warrants converted by the holders.
- 14.4 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.
- 14.5 The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholdings.
- 14.6 During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
15 OTHER EQUITY			
Securities premium account	98.50	45.50	-
General reserve	190.46	190.46	190.46
Retained earnings	1,217.01	1,027.93	904.07
Money received against share warrants	113.25	139.75	-
other comprehensive income	4.20	1.01	-
Total	1,623.41	1,404.65	1,094.53

The movement in other Equity:

 (a) **Securities premium account**

Balance as at beginning of the year	45.50	-	-
Add : Premium on shares issued during the year	53.00	45.50	-
Balance at the end of the year	98.50	45.50	-

Securities premium account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.

 (b) **General reserve**

Balance as at beginning of the year	190.46	190.46	190.46
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General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.

 (c) **Retained earnings**

Balance as at beginning of the year	1,027.93	904.07	812.90
Add: Profit for the year	189.07	123.86	91.19
Less : Increase due to Fair Valuation of Shares	-	-	0.03
Balance at the end of the year	1,217.01	1,027.93	904.07

Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc..

 (d) **Money received against share warrants**

Balance as at beginning of the year	139.75	-	-
Additions during the year	79.50	139.75	-
Less : Converted to Equity Shares	106.00	-	-
Balance at the end of the year	113.25	139.75	-

The Company has allotted 530,000 equity shares of Rs 10 each at a premium of Rs 10 per share on a Preferential basis on Jan 3, 2018 against the warrants converted by the holders.

Total reserves and surplus	1,619.22	1,403.64	1,094.53
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Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
(e) Accumulated other comprehensive Income			
Balance at the beginning of the year	1.01	-	-
Add: Movement during the year	3.19	1.01	-
Balance at the end of the year	4.20	1.01	-
Total other Equity	1,623.41	1,404.65	1,094.53

16 LONG TERM BORROWINGS

Secured

Term Loans

From Banks

14.55

21.02

6.20

From Others

35.15

46.38

56.94

Total

49.70

67.40

63.15

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

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

16.2 Other Details

	Particulars	Security Covered	Date of Maturity	Number Of Installments Due
A	From Banks ICICI Bank Ltd	Motor Car	01-Jul-21	28
B	From Others Non Banking Financial Company	Motor Car	01-Dec-20	21

17 LONG TERM PROVISIONS

Provision for employee benefits:

Gratuity (Refer Note 31.2)

48.24

38.35

29.75

Leave Encashment

20.23

9.25

0.71

Total

68.47

47.61

30.45

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
18 DEFERRED TAX LIABILITY (NET)			
a) Amounts recognized in profit and loss			
Current tax expense (A)			
In respect of current year	104.24	54.75	
Deferred tax expense (B)			
In respect of current year	(9.54)	(14.25)	
Adjustments for earlier years (C)	-	-	
Tax expense recognized in the Income statement (A+B+C)	94.70	40.50	

b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	4.96	1.38	3.58	1.13	0.31	0.82
	4.96	1.38	3.58	1.13	0.31	0.82

c) Reconciliation of effective tax rate

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	%	Amounts	%	Amounts
Profit before tax		283.78		164.36
Tax using the Company's domestic tax rate	0.32	91.16	0.27	45.16
Tax effect of:				
Disallowable expenses	0.00	0.58	0.00	0.05
Income / Expenses not considered in Income Tax Act	-	-	(0.05)	(7.98)
Other non deductible differences	-	-	0.02	3.27
	0.32	91.74	0.25	40.50
Adjustments for earlier years	-	-	-	-
Effective income tax rate	0.32	91.74	0.25	40.50

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

d) Movement in deferred tax

Particulars					As at 31st March, 2018		
	Net balance April 1, 2017	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(47.87)	8.08	-	-	(39.79)	-	(39.79)
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	13.34	1.48	1.38	-	13.42	13.42	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency difference account monetary item translation	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(34.53)	9.54	1.38	-	(26.38)	13.42	(39.79)

Particulars					As at 31st March, 2017		
	Net balance April 1, 2016	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(57.42)	9.55	-	-	(47.87)	-	(47.87)
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	8.95	4.39	-	-	13.34	13.34	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency difference account monetary item translation	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(48.47)	13.94	-	-	(34.53)	13.34	(47.87)

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
19 OTHER NON CURRENT LIABILITIES			
Other Payables*	6.93	3.61	7.52
Total	6.93	3.61	7.52
20 Short Term Borrowings			
Secured			
Working Capital Loans :			
From Banks	3,479.55	1,922.63	2,009.07
Total	3,479.55	1,922.63	2,009.07

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

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr, 2016
21 TRADE PAYABLES			
Micro, Small and Medium Enterprises	-	-	-
Others	583.78	694.90	758.79
Total	583.78	694.90	758.79

Note: Micro, Small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosure are given below:

Particulars	As at	As at	As at
	31 Mar, 2018	31 Mar, 2017	01 Apr, 2016
Principal amount due and remaining unpaid	-	-	-
Interest due and unpaid on the above amount	-	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable	-	-	-
Total	-	-	-

22 OTHER FINANCIAL LIABILITIES

Current maturities of long-term debt	17.88	20.18	14.53
Total	17.88	20.18	14.53

There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Act, as at the year end.

23 OTHER CURRENT LIABILITIES

Other Payables*	395.00	465.98	350.43
Total	395.00	465.98	350.43

* includes statutory dues and others

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017
24 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	21,069.54	15,829.02
Total	21,069.54	15,829.02

Note:

- a) The Company is engaged in systems Integration which includes the sales of products and services as a complete solution
- b) In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March 2017 and for the period 1st April to 30 June 2017 were reported net of Value Added Tax (VAT)/Sales Tax. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of Sales as per the requirements of Ind AS 18. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial Statements for the year ended 31st March 2018 and in particular, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are thus not comparable with the figures of the previous year.

25 OTHER INCOME

a) Interest income	83.30	53.52
b) Others #	0.00	0.01
Total	83.30	53.53

includes Miscellaneous income

26 PURCHASES OF STOCK-IN-TRADE

Purchases of Information Technology Products (Net of Transitional Credit of Excise Duty on opening stock ₹ 164.64 Lakhs on Transition to Goods & Services Tax)	18,283.28	14,146.55
Total	18,283.28	14,146.55

27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Inventories at close		
Stock-in-Trade	1,380.78	919.32
	1,380.78	919.32
Inventories at commencement		
Stock-in-Trade	919.32	662.06
	919.32	662.06
Total	(461.46)	(257.27)

Notes forming part of the standalone financial statements for the Year Ended 31 Mar 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017
28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,913.42	1,062.31
Contributions to provident and other funds	133.27	42.59
Total	2,046.68	1,104.89
29 FINANCE COST		
a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	353.44	261.24
b) Other interest cost		
Interest on Income tax	0.63	-
Total	354.06	261.24

30 OTHER EXPENSES

Electricity Expenses	10.72	10.75
Rent	68.82	56.24
Communication Expenses	23.13	8.31
Auditors Remuneration	5.85	5.05
Staff Welfare Expenses	30.89	24.39
Bank Charges	35.78	29.93
Conveyance And Travelling Expenses	172.92	61.14
Insurance Charges	7.10	3.90
Legal & Professional Charges	46.69	61.99
Loss on Sale of Fixed Assets	-	11.89
Membership & Subscription	3.60	9.54
Miscellaneous Expenses	31.71	17.81
Motor Car Expenses	6.02	5.40
Printing & Stationary Expenses	18.18	6.16
Rates & Taxes	17.76	5.63
Repairs & Maintenance -Building	4.31	1.87
Repairs & Maintenance - Others	10.63	6.92
Sales Promotion Expenses	14.00	11.81
Transportation Charges	62.29	63.19
Total	570.40	401.93

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

Particulars	Units	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit after Tax	(₹/lakhs)	189.07	123.86
Weighted Number of Equity Shares	Nos. Lakhs	65.06	59.24
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	2.91	2.09
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	2.06	1.35

31.2. Defined benefit plans – Gratuity:

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the status of the Gratuity Plan and the amounts recognized in the financial statement:

(₹ in Lakhs)

	Particulars	2018 Amount (₹)	2017 Amount (₹)	2016 Amount (₹)
I.	Assumptions :			
	Discount Rate	7.66%	7.95%	8.09%
	Salary escalation rate	3.00%	4.00%	4.00%
II.	Table Showing Change in Benefit Obligation :			
	Liability at the beginning of the year	38.35	29.75	15.03
	Current Service Cost	9.88	8.61	14.72
	Balance	48.24	38.35	29.75
	Liability at the end of the year	48.24	38.35	29.75
III.	Amount Recognized in the Balance Sheet			
	Liability at the end of the year	48.24	38.35	29.75
	Difference	53.19	38.35	29.75
	Amount Recognized in the Balance Sheet	53.19	38.35	29.75
IV.	Expenses Recognized in the Income Statement :			
	Current Service Cost	9.88	8.61	14.72
	Expense Recognized in P&L	9.88	8.61	14.72
IV.	Expenses Recognized in the OCI :			
	Current Service Cost	4.96	1.13	NIL
	Expense Recognized in P&L	4.96	1.13	-

Maturity Analysis of the Benefit Payments: From the Employer

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	31/03/2018	31/03/2017
1st Following Year	3.25	1.29
2nd Following Year	1.51	1.40
3rd Following Year	1.68	3.11
4th Following Year	1.85	1.61
5th Following Year	2.32	1.75
Sum of Years 6 To 10	14.11	10.90
Sum of Years 11 and above	149.47	113.05

Sensitivity Analysis

(₹ in Lakhs)

	31/03/2018	31/03/2017
Projected Benefit Obligation on Current Assumptions	48.24	38.35
Delta Effect of +1% Change in Rate of Discounting	(5.57)	(4.47)
Delta Effect of -1% Change in Rate of Discounting	6.76	5.42
Delta Effect of +1% Change in Rate of Salary Increase	7.04	5.63
Delta Effect of -1% Change in Rate of Salary Increase	(5.86)	(4.69)
Delta Effect of +1% Change in Rate of Employee Turnover	3.43	2.89
Delta Effect of -1% Change in Rate of Employee Turnover	(4.08)	(3.38)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

31.3. Related Party Disclosures

- a. The names of related parties and the nature of relationship are as under:
 - (i) Entities in which Directors are interested
 - S. P. Corporation
 - Trigem Infosolutions Limited
 - (ii) Key Managerial Personnel
 - a) Executive Director
 - Shirish M. Anjaria
 - Parag J. Dalal
 - Dharmesh S. Anjaria

- b) Non Executive Director
Jitesh Jain
Dilip Parmanand Palicha
Archana Phadke
Viren Champaklal Shah
- c) Other than Directors
Ravishankar Singh (Company Secretary)

The transactions with the related parties are as under:

Party	Nature of Payment	2018 (₹/lakhs)	2017 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	4.23	1.87
Mr. Shirish M. Anjaria	Remuneration	21.00	21.00
Mr. Parag J. Dalal	Remuneration	18.00	18.00
Mr. Dharmesh S. Anjaria	Remuneration	18.00	18.00
Mr. Ravishankar Singh	Remuneration	1.13	1.13

31.4. Balances Outstanding

(₹ in Lakhs)

Nature of Transaction	Subsidiaries		Entities controlled by Key Managerial Personnel	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Investment in Shares				
Dynacons Systems & Solutions PTE Ltd	5.05	5.05	-	-

Notes :

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

31.5. Segment Information

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

31.6. Contingent Liabilities

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

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

- b) Guarantees given by the company's bankers ₹ 1500.61 lakhs (previous year ₹ 1016.07 lakhs)

31.7. Financial instruments

A. Capital Management :

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15, 19 and 21) and total equity of the Company.

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

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current borrowings	49.70	67.40	63.15
Current maturities of non-current borrowin	17.88	20.18	14.53
Current borrowings	3,479.55	1,922.63	2,009.07
Total Debt	3,547.13	2,010.21	2,086.75
Equity	2,314.22	2,042.46	1,686.84
Net debt to equity ratio	1.53	0.98	1.24

For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

B. Financial Instruments-Accounting Classifications and Fair value measurements (Ind AS 107)

i) Classification of Financial Assets and Liabilities:

(₹ in Lakhs)

Particulars	As at 31 st Mar, 2018	As at 31 st Mar, 2017	As at 1 st Apr, 2016
Financial Assets			
Measured at amortised cost			
Trade receivables	3,953.57	2,849.46	3,035.29
Cash and cash equivalents	684.60	796.28	494.70
Bank balances other than above	200.14	127.71	130.79
Loans	9.99	11.41	7.04
Other Financial Assets	311.52	117.06	-
Long Term Loans And Advances	-	-	292.12
Designated at fair value through other comprehensive income			
Investments in equity shares	0.89	1.28	1.09
Total	5,160.71	3,903.19	3,961.03
Financial Liabilities			
Measured at amortised cost			
Long-Term Borrowings	49.70	67.40	63.15
Short-Term Borrowings	3,479.55	1,922.63	2,009.07
Trade Payables	583.78	694.90	758.79
Other Financial Liabilities	17.88	20.18	14.53
Total	4,130.91	2,705.11	2,845.54

ii) **Fair Value Measurements (Ind AS 113):**

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets, which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and Financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

> **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31st March 2018, 31st March 2017, and 1st April 2016:

a) **Quantitative disclosures fair value measurement hierarchy for assets as at the reporting date:**

(₹ in Lakhs)					
			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Financial Assets Fair value through Other Comprehensive Income					
Investments in quoted - equity instrument					
	31-Mar-18	0.89	0.38	-	0.51
	31-Mar-17	1.28	0.77	-	0.51
	01-Apr-16	1.09	0.58	-	0.51

There have been no transfers between levels during the period.

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

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

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

(₹ in Lakhs)

Particulars	Total	FVTOCI financial investments
Balance as at 1st April 2016	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31st March, 2017	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31st March, 2018	0.51	0.51

Loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature

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

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

a) Credit risk

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

Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

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

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
0-180 days	3,794.68	2,682.96	2878.06
181-365 days	111.56	107.95	103.30
Above 365 days	47.32	58.55	53.93
Total	3,953.57	2,849.46	3,035.29

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

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

Other financial assets

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

b) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

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

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 30 - 180 days based on the credit period. The Company's objective is to

maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

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

(₹ in Lakhs)

Particular	Contractual cash flows		
	Carrying amount	Upto 1 year	More than 1 year
As at 31st March 2018			
Borrowings	3,479.55	3,479.55	-
Trade Payables	583.78	583.78	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	67.58	17.88	49.70
As at 31st March 2017			
Short-Term Borrowings	1,922.63	1,922.63	-
Trade Payables	694.90	694.90	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	87.58	20.18	37.40
As at 01st April 2016			
Short-Term Borrowings	2,009.07	2,009.07	-
Trade Payables	758.79	758.79	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts)	77.67	14.53	63.14

c) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD).

To mitigate the Company's exposure to foreign currency risk, cash flows are continuously monitored.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial assets			
Trade receivables	59.41	225.43	108.20
Net exposure for assets	59.41	225.43	108.20
Financial liabilities	-	-	-
Net exposure for liability	-	-	-
Net exposure (Assets - Liabilities)	59.41	225.43	108.20

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

Sensitivity analysis

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

Impact on profit or loss

Movement in currency (Before tax)	Increase in Exchange rate by 5%			Decrease in Exchange rate by 5%		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016
USD	2.97	11.27	5.41	(2.97)	(11.27)	(5.41)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

The Company's investments in term deposits (i.e. certificates of deposits) with banks, investments in preference shares, mutual funds and debentures are at fixed interest rate and therefore do not expose the company to significant interest rate risk.

Interest Rate Exposure:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Term loans - long term			
Floating Rate Borrowings			
Fixed Rate Borrowings	67.58	87.58	77.67
Short term borrowings	3,479.55	1,922.63	2,009.07
	3,547.13	2,010.21	2,086.75

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate	Increase in Interest rate by 0.25%			Decrease in Interest rate by 0.25%		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Term loans - long term	-	-	-	-	-	-
Short term borrowings	8.70	4.81	5.02	(8.70)	(4.81)	(5.02)

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

31.9. CSR Expenditure

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

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

No Loans have been given to Subsidiaries during the year.

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

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

31.11. 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 ₹ 68.82 lakhs (Previous year ₹ 56.24 lakhs). The deposit paid in respect of the same is Rs. 30.02 Lakhs (as at 31st March, 2017: ₹ 26.51 lakhs, as at 1st April, 2016: ₹ 23.91 lakhs).

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Not later than one year	7,369,422	5,008,553	4,947,031
Later than one year but not later than five years	6,525,093	10,239,665	15,248,218
More than five years	-	-	-
Total	13,894,515	15,248,218	20,195,249

31.12. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the 'Previous GAAP'.

The Significant Accounting Policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended 31st March 2018, 31st March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2016.

In preparing its Ind AS Balance Sheet as at 1st April 2016 and in presenting the comparative information for the year ended 31st March 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

I. Explanation of transition to Ind AS

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional Exemptions availed

a) Deemed cost for property, plant and equipment, investment property and intangible assets:

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

b) Investments in Subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Mandatory Exceptions

a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively i.e. after the transition date.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

II. Reconciliation of Balance Sheet as at 1st April, 2016 and 31st March, 2017

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2017 (End of the last period presented under previous GAAP)			As at 1st April, 2016 (Date of transition)		
		Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet	Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	I A a	303.07	346.15	303	346.15		
(b) Investment in Subsidiaries	I.A.b	5.05	-	5.05	-	-	-
(c) Financial Assets							
(i) Investments	A	1.11	0.17	1.28	1.11	(0.03)	1.09
(ii) Loans		-	-	-	292.12	-	292.12
Total non-Current Assets		309.23	0.17	309.40	639.39	(0.03)	639.36
Current assets							
(a) Inventories		919.32	-	919.32	662.06	-	662.06
(b) Financial Assets							
(i) Trade receivables	B	2,849.46	-	2,849.46	3,035.29	-	3,035.29
(ii) Cash and cash equivalents		796.28	-	796.28	494.70	-	494.70
(iii) Bank balances other than (ii) above		127.71	-	127.71	130.79	-	130.79
(iv) Loans		11.41	-	11.41	7.04	-	7.04
(v) Other Financial Assets		117.06	-	117.06	-	-	-
(c) Other Current Assets		168.65	-	168.65	-	-	-
Total current assets		4,989.89	-	4,989.89	4,329.87	-	4,329.87
TOTAL ASSETS		5,299.13	0.17	5,299.30	4,969.26	(0.03)	4,969.24
EQUITY AND LIABILITIES							

Equity							
(a) Equity Share capital		637.81	-	637.81	592.31	-	592.31
(b) Other Equity	E	1,404.48	0.17	1,404.65	1,094.55	(0.03)	1,094.53
Total equity		2,042.29	0.17	2,042.46	1,686.86	(0.03)	1,686.84
Non-current liabilities							
(a) Financial Liabilities							
Long-Term Borrowings		67.40	-	67.40	63.15	-	63.15
(b) Long-Term Provisions		47.61	-	47.61	30.45	-	30.45
(c) Deferred Tax Liabilities (Net)		34.53	-	34.53	48.47	-	48.47
(d) Other non-current liabilities		3.61	-	3.61	7.52	-	7.52
Total non-Current Liabilities		153.16	-	153.16	149.59	-	149.59
Current liabilities							
(a) Financial Liabilities							
(i) Short Term Borrowings		1,922.63	-	1,922.63	2,009.07	-	2,009.07
(ii) Trade Payables		694.90	-	694.90	759.79	-	759.79
(iii) Other Financial Liabilities		20.18	-	20.18	14.53	-	14.53
(b) Other Current Liabilities		465.98	-	465.98	350.43	-	350.43
(c) Short-term provisions					-	-	-
(d) Current tax liabilities (Net)					-	-	-
Total Current liabilities		3,103.68	-	3,103.68	3,132.81	-	3,132.81
TOTAL EQUITY AND LIABILITIES		5,299.13	0.17	5,299.30	4,969.26	(0.03)	4,969.24

III. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in Lakhs)

Sr. No.		Previous GAAP	Ind AS adjustment	Amount as per Ind AS Statement of Profit and Loss
1	INCOME			
(a)	Revenue from Operations	15,829.02	-	15,829.02
(b)	Other Income	53.53	-	53.53
2	Total Revenue	15,882.55	-	15,882.55
3	EXPENSES			
(a)	Purchases of Stock-in-Trade	14,146.55	-	14,146.55
(b)	Changes in Inventories Of Stock-In-Trade	(257.27)	-	(257.27)

	(c)	Employee Benefits Expense	D	1,103.76	1.13	1,104.89
	(d)	Finance Costs		261.24	-	261.24
	(e)	Depreciation And Amortisation Expense		60.83	-	60.83
	(f)	Other Expenses		401.93	-	401.93
4		Total Expenses		15,717.05	1.13	15,718.18
5		Profit before tax		165.49	(1.13)	164.36
6		Tax Expense:				
	(a)	Current Tax		54.75	-	54.75
	(b)	Deferred Tax	C	(13.94)	(0.31)	(14.25)
		Total Tax Expense		40.81	(0.31)	40.50
7		Profit for the period		124.68	(0.82)	123.86
8		Other Comprehensive Income				
	(i)	Items that will not be reclassified to profit or loss				
		Measurement of defined employee benefit plan		-	1.13	1.13
		Gains and losses from investments in equity instruments	A	-	0.19	0.19
		Total		-	1.33	1.33
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	0.31	0.31
		Total Other Comprehensive Income		-	1.01	1.01
9		Total comprehensive income for the year		124.68	0.19	124.87

IV. On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2017

V. Reconciliation of Equity as at 31st March 2017 and 1st April 2016

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
Equity as per Previous GAAP		2,042.29	1,686.86
Fair value measurement of investment in equity instruments	A	0.17	(0.03)
		2,042.46	1,686.84

VI. Reconciliation of total comprehensive income:

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March, 2017
Net Profit as per Previous GAAP		124.68
Measurement of defined employee benefit plan	D	(1.13)
Deferred tax impact on above adjustments	C	0.31
Net profit after tax as per Ind AS		123.86
Other Comprehensive Income (net of taxes)	E	1.01
Total Comprehensive income as per Ind AS		124.87

VII. Notes to reconciliation :**A. Fair valuation of investments**

All Investments except investments in group companies have been fair valued in accordance with Ind AS 109. Investments in debt securities are measured at amortised costs. Other investments are fair valued through profit or loss. Under Previous GAAP, current investments were carried at cost net of diminution in their value as at the Balance Sheet date. The long term investments were carried at cost net of permanent diminution, if any.

B. Trade receivables

Under previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company.

Under Ind AS the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

The carrying amount of the Trade Receivables are considered as a reasonable approximation of fair value hence no provision is made for Expected credit Losses.

C. Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

Under Ind AS, accounting of deferred taxes is done using the Balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D. Remeasurement of Defined benefits liabilities

Under previous GAAP the company recognised remeasurements of defined benefits plans under profit and loss. Under Ind AS, remeasurement of defined benefits plans are recognised in Other Comprehensive Income.

E. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard enquires or permits otherwise. Items of income and expense that

are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

F. Others

Other adjustments on account of transition to Ind AS include reclassification of Property, Plant and Equipment (PPE) to Intangible asset as part of service concession arrangements, classification of Investment Property, fair valuation of deposits and effect of adjustments relating to revenue recognition.

G. The previous year Previous GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Pinakee Parikh
Partner
Membership No. 148186

Shirish Anjaria
Chairman cum Managing Director
DIN:00444104

Parag Dalal
Executive Director
DIN:00409894

Dharmesh Anjaria
Executive Director
DIN:00445009

Ravishankar Singh
Company Secretary

Place : Mumbai
Date : May 30, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Dynacons Systems & Solutions Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated financial statements of **DYNACONS SYSTEMS & SOLUTIONS LIMITED** ("the Company"), which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding 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 Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and that of the subsidiaries is sufficient and appropriate to

provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the subsidiary, the aforesaid Consolidated Ind AS 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 consolidated state of affairs of the Company and its subsidiary as at March 31, 2018, and its consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Other Matter

1. The audit of comparative Consolidated financial information for the year ended March 31, 2017 and April 1, 2016 as per previous GAAP included in this Statement was carried out and reported by predecessor auditor/s vide their unqualified audit report dated May 11, 2017 and April 26, 2016. Our opinion is not modified in respect of this matter.
2. We did not audit the financial statements of Dynacons System & Solution System PTE Ltd. a wholly owned subsidiary and located outside India whose financial statements reflect total assets (net) of Rs.16.84 /-(lakhs) as on March 31, 2018 and total income of Rs. 307.66/- lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary, 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 of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of consolidated Ind AS financial statements
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rule issued thereunder:
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and

the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statement have disclosed the impact of pending litigations as on March 31, 2018 on its financial position in its Consolidated Ind AS financial statements Refer to Note No 30.
 - ii. The Consolidated Financial Statement have long term contracts as at March 31, 2018 for which there are no material foreseeable losses. The Consolidated Financial Statement do not have derivative contracts as at March 31, 2018.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries during the year ended March 31, 2018.

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

Pinakee Parikh
Partner
(Membership No. 148186)

Place : Mumbai
Date : May 30, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **DYNACONS SYSTEMS AND SOLUTIONS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company and its subsidiaries' management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiaries' based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company and its subsidiaries' internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company and its subsidiaries' internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company and its subsidiaries; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company and its

subsidiaries' are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company and its subsidiaries' assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiaries' have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pinakee Parikh
Partner
(Membership No. 148186)

Place : Mumbai
Date : May 30, 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	284.52	303.07	346.15
(b) Financial Assets				
(i) Investments	4	0.89	1.28	1.09
(ii) Long-Term Loans and Advances	5	-	-	292.12
		285.41	304.35	639.36
2 Current assets				
(a) Inventories	6	1,380.78	919.32	662.06
(b) Financial Assets				
(i) Trade receivables	7	3,953.71	2,849.46	3,035.29
(ii) Cash and cash equivalents	8	712.39	797.67	494.70
(iii) Bank balances other than mentioned in cash and cash equivalents	9	200.14	127.71	130.79
(iv) Short term Loans and Advances	10	9.99	11.41	7.04
(v) Other Financial Assets	11	311.52	117.06	-
(c) Other Current Assets	12	109.72	168.65	-
		6,678.25	4,991.29	4,329.87
TOTAL		6,963.66	5,295.64	4,969.24
B EQUITY AND LIABILITIES				
1 Equity				
(a) Share Capital	13	690.81	637.81	592.31
(b) Other Equity	14	1,640.25	1,400.99	1,094.53
		2,331.06	2,038.80	1,686.84
2 Non-current liabilities				
(a) Financial Liabilities				
Long-Term Borrowings	15	49.70	67.40	63.14
(b) Long-Term Provisions	16	68.47	47.61	30.46
(c) Deferred Tax Liabilities (Net)	17	26.38	34.53	48.47
(d) Other non-current liabilities	18	6.93	3.61	7.52
		151.48	153.16	149.59
3 Current liabilities				
(a) Financial Liabilities				
(i) Short-Term Borrowings	19	3,479.55	1,922.63	2,009.07
(ii) Trade Payables	20	588.69	694.90	758.79
(iii) Other Financial Liabilities	21	17.88	20.18	14.53
(b) Other Current Liabilities	22	395.00	465.98	350.43
		4,481.12	3,103.68	3,132.81
TOTAL		6,963.66	5,295.64	4,969.24

Notes on Financial Statements

1-30

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

For and on behalf of the Board of Directors

Pinakee Parikh
 Partner
 Membership No. 148186

Shirish Anjaria
 Chairman cum Managing Director
 DIN:00444104

Parag Dalal
 Executive Director
 DIN:00409894

Dharmesh Anjaria
 Executive Director
 DIN:00445009

Ravishankar Singh
 Company Secretary

Place : Mumbai
 Date : May 30, 2018

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

Particulars		Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
1	INCOME			
(a)	Revenue from Operations	23	21,377.20	15,829.02
(b)	Other Income	24	83.30	53.53
2	Total Revenue		21,460.50	15,882.55
3	EXPENSES			
(a)	Purchases of Stock-In-Trade	25	18,558.43	14,146.55
(b)	Changes In Inventories Of Stock-In-Trade	26	(461.46)	(257.27)
(c)	Employee Benefits Expense	27	2,046.68	1,104.89
(d)	Finance Costs	28	354.06	261.24
(e)	Depreciation And Amortisation Expense		76.10	60.83
(f)	Other Expenses	29	581.28	405.52
4	Total Expenses		21,155.10	15,721.78
5	Profit before tax		305.41	160.76
6	Tax Expense:			
(a)	Current Tax		105.38	54.75
(b)	Deferred Tax		(9.54)	(14.25)
			95.84	40.50
7	Profit for the period		209.56	120.27
8	Other Comprehensive Income			
(i)	Items that will not be reclassified to profit or loss			
	Measurement of defined employee benefit plan		4.96	1.13
	Gains and losses from investments in equity instruments		(0.39)	0.19
	Difference in foreign exchange rates		0.01	0.00
			4.58	1.33
(ii)	Income tax relating to items that will not be reclassified to profit or loss		1.38	0.31
	Total Other Comprehensive Income		3.20	1.01
9	Total comprehensive income for the year		212.76	121.28
10	Earnings per equity share (Profit for the year)			
(i)	Basic (In ₹)		3.22	2.03
(ii)	Diluted (In ₹)		2.28	1.31
Notes on Financial Statements		1-30		

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

Pinakee Parikh
Partner
Membership No. 148186

Place : Mumbai
Date : May 30, 2018

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
DIN:00444104

Dharmesh Anjaria
Executive Director
DIN:00445009

Parag Dalal
Executive Director
DIN:00409894

Ravishankar Singh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax and extraordinary items		305.41	160.76
Add: Depreciation		76.10	60.83
(Profit)/Loss on sale of Fixed Assets		0.00	11.89
Finance Costs		354.06	261.24
Measurement of defined employee benefit plan		0.00	1.13
Loss on fair value of investments		0.00	(0.06)
		<u>430.16</u>	<u>335.04</u>
Operating profit before working Capital		735.56	495.80
Changes in current assets and liabilities			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(461.46)	(257.27)
Trade receivables		(1,104.24)	185.83
Other current financial assets		(265.47)	(118.35)
Other current assets		65.84	151.82
Adjustments for increase/(decrease) in operating liabilities:			
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(101.24)	(63.89)
Other current financial liabilities		(2.30)	4.95
Other current liabilities		(70.98)	115.55
Other non current Liabilities		3.31	(3.90)
Provisions		20.87	17.86
		<u>(1,915.66)</u>	<u>32.61</u>
Cash Generated from Operations		(1,180.10)	528.41
Taxes paid		(112.29)	(83.10)
Net Cash Flow from operating activities		(1,292.39)	445.31
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(57.55)	(40.58)
Sale of Fixed Assets		0.00	10.93
Net Cash Used for Investing Activities		(57.55)	(29.64)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital		-	45.50
Share Premium		-	45.50
Money received against share warrants		79.50	139.75
Repayment of long-term borrowings		(17.70)	4.25
Short-term borrowings (net)		1,556.93	(86.45)
Interest Paid		(354.06)	(261.24)
Net cash From Financing Activities		1,264.66	(112.69)
D Net Increase in Cash and Cash Equivalents (A+B+C)		(85.28)	302.97
E Cash and Cash Equivalents at the beginning of the year (As per Note 8)		797.67	494.70
F Cash and Cash Equivalents at the end of the year (As per Note 8)		712.39	797.67
		<u>(85.28)</u>	<u>302.97</u>

Explanatory notes to Statement of Cash Flows:

- The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

The accompanying notes are an integral part of the financial statements.

Notes on Financial Statements

1-30

 As per our report of even date attached
 For M S P & CO.
 Chartered Accountants
 Firm Registration 107585W

 Pinakee Parikh
 Partner
 Membership No. 148186

 Place : Mumbai
 Date : May 30, 2018

For and on behalf of the Board of Directors

 Shrish Anjaria
 Chairman cum Managing Director
 DIN:00444104

 Dharmesh Anjaria
 Executive Director
 DIN:00445009

 Parag Dalal
 Executive Director
 DIN:00409894

 Ravishankar Singh
 Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2018

A. Equity Share Capital (Note No. 12)

(₹ in Lakhs)

Equity Share Capital	Equity Share Capital
As at 1st April 2016	592.31
Changes in Equity Share Capital	45.50
As at 31st March 2017	637.81
Changes in Equity Share Capital	53.00
As at 31st March 2018	690.81

B. Other Equity

(₹ in Lakhs)

	Reserve & Surplus		Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
Balance as at 1st April 2016	-	1,094.53	-	-	1,094.53
Changes in accounting policy or prior period errors					-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total other Comprehensive Income for the year	-	-	1.01	-	1.01
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Goodwill on Consolidation w/loff		(0.06)			
Additions during the year	45.50	120.27	-	-	165.77
Balance as at 31st March 2017	45.50	1,214.73	1.01	-	1,261.24
Balance as at 1st April 2017	45.50	1,214.73	1.01	-	1,261.24
Changes in accounting policy or prior period errors					-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total other Comprehensive Income for the year	-	-	3.20	-	3.20
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)					
Additions during the year	53.00	209.56	-	79.50	342.06
Issue of Equity Shares	-	-	-	(106.00)	(106.00)
Balance as at 31st March 2017	98.50	1,424.30	4.21	(26.50)	1,500.50

Note :

Dynacons Systems & Solutions PTE., subsidiary of Dynacons Systems & Solutions Ltd was incorporated on 20th March, 2017, therefore there is no consolidated financial statements as at 01st April, 2016. The Holding company namely Dynacons Systems & Solutions Ltd has adopted Ind AS from April 1, 2017 hence there is a need to prepare an opening Ind-AS balance sheet as at 1st April, 2016. For the purpose of reconciliations holding company's standalone financial statement as at 1st April, 2016 has been considered in the consolidated financial statements.

Notes on Financial Statements

1-30

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

Pinakhee Parikh
Partner
Membership No. 148186

Place : Mumbai
Date : May 30, 2018

For and on behalf of the Board of Directors

Shirish Anjarla
Chairman cum Managing Director
DIN:00444104

Dharmesh Anjaria
Executive Director
DIN:00445009

Parag Dalal
Executive Director
DIN:00409894

Ravishanker Singh
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018**1. Company Overview**

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

2. SIGNIFICANT ACCOUNTING POLICIES :**Basis of preparation of consolidated financial statements****(i) Statement of compliance and basis of preparation**

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

The Group has adopted all the Indian Accounting standards and the adoption was carried out in accordance with Ind AS 101 – First-time adoption of Indian Accounting Standards. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

(ii) Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent and all of its subsidiary as listed below. The financial statements of the subsidiary forming part of these consolidated financial statements are drawn up to 31st March 2018. All material inter-company transactions and balances are eliminated on consolidation.

Name of the subsidiary	Country of incorporation	% of holding either directly or through subsidiary as at	
		31-Mar-18	31-Mar-17
Dynacons Systems & Solutions PTE. Ltd	Singapore	100	100

Dynacons Systems & Solutions PTE., subsidiary of Dynacons Systems & Solutions Ltd was incorporated on 20th March, 2017, therefore there is no consolidated financial statements as at 01st April, 2016. The Holding company namely Dynacons Systems & Solutions Ltd has adopted Ind As from April 1, 2017 hence there is a need to prepare an opening Ind-AS balance sheet as at 1st April, 2016. For the purpose of reconciliations holding company's standalone financial statement as at 1st April, 2016 has been considered in the consolidated financial statements.

(iii) Principles for Consolidation

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

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

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

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

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation

to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

(vi) Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. In accordance with Ind AS 101, the Group presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS consolidated financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

(v) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the result of operations during the reporting periods. Significant estimate include provision for doubtful debts and loans and advances, provision for income and deferred taxes, future obligation under employee benefit plans, estimated useful life of tangible assets. Although these estimates are based upon

management's best knowledge of current events and actions, actual results could differ from those estimates and any revision to accounting estimates is recognized prospectively in the current and future periods.

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

(vi) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding discounts, VAT, GST and other applicable taxes and are recognized upon the performance of service or transfer of risk to the customer.

Revenue is recognized when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria different activities has been met. These activity-specific recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which coincides with dispatch or delivery of goods to customers as per terms of agreement with customers. Sales include excise duty, where applicable but exclude other taxes and is net of rebates and discounts.

Software Development:

Revenue from software development on time-and-material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the completion method.

Annual Maintenance Contract:

Revenue from Annual Maintenance Contracts and services is recognized over the life of the contracts.

Other Income

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

Sale of scrap:

Revenue from sale of scrap is recognized as and when scrap is sold.

(vii) 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.

(viii) Foreign currency translation

Reporting and presentation currency

The consolidated financial statements are presented in Lakhs of Indian Rupees, which is also the functional currency of the Parent.

Foreign currency transactions and balances

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's

foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date.

Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non controlling interest.

When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

(ix) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(x) 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.

(xi) Property, plant and equipment Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within other income or other expenses.

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

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

Impairment testing of intangible assets and property, plant and equipment

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-

generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

Depreciation

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

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

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

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

(xii) 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.

(xiii) 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.

(xiv) Inventories

Inventories are valued at the lower of the cost and the net realizable value. Cost of finished goods includes excise duty, wherever applicable. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost is determined on a First in First out basis. A periodic review is made of slow-moving stock and appropriate provisions are made for anticipated losses, if any.

(xv) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Long-term investments other than investment in subsidiaries are valued at fair market value. Provision is made for diminution in value to recognize a decline, if any, other than that of temporary in nature. Current investments are valued at lower of cost and fair market value. Gains or losses that arise on disposal of an investment are measured as the difference between disposal proceeds and the carrying value and are recognised in the statement of profit and loss.

(xvi) Retirement Benefits to employees**i. Post-employment benefit plans****Defined contribution plan**

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

Defined Benefit plan

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

ii. Short-term employee benefits

The un-discounted 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.

(xvii) Income Tax

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

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

(xviii) 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.

(xix) 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 assets are not recognised in the financial statements.

(xx) Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

(xxi) Translation of integral and non-integral foreign operations

The group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations". The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve, a component of equity, except to the extent that the translation difference is allocated to non controlling interest.. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Statement of profit and loss.

(xxii) 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.

(xxiii) Financial Instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair

value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Classification and subsequent measurement of financial assets

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

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

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

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

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

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

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

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

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

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are

determined by reference to active market transactions or using a valuation technique where no active market exists.

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

(xxiv) Earnings per share

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

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

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Furnitures & Fixtures	Vehicles (Cars)	Office Equipment	Computer	Total
Gross block					
Deemed cost as at 1 April 2016	0.20	115.80	1.10	229.06	346.15
Additions	2.41	38.17	-	-	40.58
Disposals	-	41.74	-	-	41.74
Balance as at 31 March 2017	2.61	112.22	1.10	229.06	344.99
Additions	5.82	-	0.42	51.30	57.55
Disposals	-	-	-	-	-
Balance as at 31 March 2018	8.43	112.22	1.52	280.37	402.54
Accumulated depreciation/ amortisation					
Balance as at 1 April 2016	-	-	-	-	-
Depreciation for the year	0.06	16.03	0.22	44.52	60.83
Reversal on disposal of assets	-	18.91	-	-	18.91
Balance as at 31st March, 2017	0.06	2.88	0.22	44.52	41.91
Depreciation for the year	0.69	16.36	0.51	58.55	76.10
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2018	0.75	13.48	0.72	103.06	118.01
Net Block					
Net block as at 1st April, 2016	0.20	115.80	1.10	229.06	346.15
Net block as at 31st March, 2017	2.54	115.11	0.88	184.54	303.07
Net block as at 31st March, 2018	7.68	98.75	0.80	177.30	284.52

- a Charge has been created over property, plant and equipments of the company in regard to borrowings (Refer note 14.1)
- b The Company has adopted carrying value as recognized in the financial statement as at 31st March, 2016, measured as per Previous GAAP as its deemed cost. Accordingly, its Net Block as on 31st March, 2016 is its Gross Block under Ind AS. Break up of the said Gross block as at 1st April, 2016 is as under:

Particulars	Gross Block	Ind AS Adjustment/ Reclassification	Accumulated Depreciation / Amortisation	Ind AS Adjustment/ Reclassification	Net Block
Furnitures & Fixtures	5.19	-	4.99	-	0.20
Vehicles (Cars)	152.65	-	36.85	-	115.80
Office Equipment	7.18	-	6.08	-	1.10
Computer	398.02	-	186.96	-	229.06
Total	561.03	-	214.88	-	346.15

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016
4 INVESTMENTS			
Non-Current Financial Assets			
Investments designated at fair value through Other Comprehensive Income			
(i) In Equity Shares - Unquoted, fully paid up			
Kapol Co-op Bank Ltd	0.51	0.51	0.51
(5,125 (31st March, 2017 - 5,125, 1st April, 2016 - 5,125) Equity Shares of ₹10/- each			
(ii) In Equity Shares - Quoted, fully paid up			
Dena Bank	0.38	0.77	0.58
(2,000 (31st March, 2017 - 2,000, 1st April, 2016 - 2,000) Equity Shares of ₹ 10 each fully paid up)			
Total	0.89	1.28	1.09
Aggregate amount of:			
-Quoted investments and market value thereof	0.38	0.77	0.58
-Unquoted investments	0.51	0.51	0.51
(i) The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI').			
(ii) Investments at fair value through OCI reflect investment in quoted equity securities.			
5 LONG-TERM LOANS AND ADVANCES			
Non - Current			
(Unsecured and considered good)			
Security deposits	-	-	102.04
Advance income tax (Net of provisions)	-	-	184.09
Other loans and advances	-	-	6.00
Total	-	-	292.12
6 INVENTORIES			
Stock-in-trade	1380.78	919.32	662.06
Total	1380.78	919.32	662.06
6.1 Inventories of Rs. 1,380.78 lakhs (as at 31st March, 2017: Rs. 919.32 lakhs and as at 1st April, 2016: Rs. 662.06 lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)			
7 TRADE RECEIVABLES			
(Unsecured and Considered Good)			
Trade receivables	3,953.71	2,849.46	3,035.29
Total	3,953.71	2,849.46	3,035.29

(i) Trade Receivables of Rs. 3,953.57 lakhs (as at 31st March, 2017: Rs. 2,849.46 lakhs and as at 1st April, 2016: Rs. 3,035.29 lakhs) are hypothecated against working capital facilities from banks. (Refer note 19.1)

(ii) The carrying amount of the Trade Receivables are considered as a reasonable approximation of fair value, as it is expected to be collected within twelve months. hence no provision is made for Expected credit Losses

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

(₹ In Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016
8 CASH AND CASH EQUIVALENTS			
Cash on hand	9.09	5.95	11.06
Balances with banks in current accounts	30.92	234.75	3.15
Demand deposits with Banks	672.39	556.97	480.49
Total	712.39	797.67	494.70
Deposits Accounts of Rs. 672.39 lakhs (As at 31st March, 2017 Rs. 556.97 and as at 1st April, 2016 Rs. 480.49) pledged as margin money deposit for facilities from Banks. (Refer Note 19.1)			
9 BANK BALANCES OTHER THAN MENTIONED IN CASH AND CASH EQUIVALENTS			
- Balances held as margin money against guarantees	200.14	127.71	130.79
Total	200.14	127.71	130.79
Fixed Deposit of Rs. 200.14 lakhs (As at 31st March, 2017 Rs. 127.71 lakhs and as at 1st April, 2016 Rs. 130.79 lakhs) pledged as margin money deposit for facilities from Banks. (Refer Note 19.1)			
10 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)			
Loans & Advances to employees	9.99	11.41	7.04
Total	9.99	11.41	7.04
11 OTHER FINANCIAL ASSETS (Unsecured and Considered Good)			
Security Deposits	311.52	117.06	-
Total	311.52	117.06	-
12 OTHER CURRENT ASSETS			
Advance income tax (Net of provisions)	103.72	162.65	-
Other loans and advances	6.00	6.00	-
Total	109.72	168.65	-
13 EQUITY SHARE CAPITAL			
(a) Authorised Share Capital 30,000,000 (As at 31st March , 2017; 30,000,000, As at 1st April, 2016 : 30,000,000) Equity shares of ₹10 each	3,000.00	3,000.00	3,000.00
(b) Issued, Subscribed and Fully Paid up : (69,08,080 (As at 31st March , 2017; 63,78,080 , As at 1st April, 2016 : 59,23,080) Equity shares of ₹ 10 each)	690.81	637.81	592.31

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016
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13.1 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 Mar, 2018		As at 31 Mar, 2017		As at 1 Apr, 2016	
	No. of Shares	Amt	No. of Shares	Amt	No. of Shares	Amt
Equity Shares at the beginning of the year	63,78,080	637.81	59,23,080	592.31	59,23,080	592.31
Issued during the year	5,30,000	53.00	4,55,000	45.50	-	-
Equity Shares at the end of the year	69,08,080	690.81	63,78,080	637.81	59,23,080	592.31

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

Name of the Shareholder	As at 31 Mar, 2018		As at 31 Mar, 2017		As at 1 Apr, 2016	
	Number of Shares Held	% holding	Number of Shares Held	% holding	Number of Shares Held	% holding
Shirish Mansingh Anjana	6,20,948	8.99	5,90,948	9.27	3,60,948	6.09
Dharmesh Shirish Anjana	6,36,220	9.21	3,86,220	6.06	3,56,220	6.01
Parag Jitendra Dalal	6,27,200	9.08	3,77,200	5.91	3,47,200	5.86
Nilam Anjana	3,64,602	5.28	3,64,602	5.72	3,09,602	5.22

13.3 The Company has allotted 530,000 equity shares of Rs 10 each at a premium of ₹ 10 per share on a Preferential basis on Jan 3, 2018 against the warrants converted by the holders.

13.4 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.

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

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

14 OTHER EQUITY

Securities premium account	98.50	45.50	-
General reserve	190.46	190.46	190.46
Retained earnings	1,233.84	1,024.27	904.07
Money received against share warrants	113.25	139.75	-
other comprehensive income	4.21	1.01	-
	<u>1,640.25</u>	<u>1,400.99</u>	<u>1,094.53</u>

The movement in other Equity:
(a) Securities premium account

Balance as at beginning of the year	45.50	-	-
Add : Premium on shares issued during the year	53.00	45.50	-
Balance at the end of the year	<u>98.50</u>	<u>45.50</u>	<u>-</u>

Securities premium account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.

(b) General reserve

Balance as at beginning of the year	190.46	190.46	190.46
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General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

(₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016	
(c)Retained earnings				
Balance as at beginning of the year	1,024.27	904.07	812.90	
Add: Profit for the year	209.56	120.27	91.19	
Less : Goodwill on Consolidation w/off	-	(0.06)	(0.03)	
	<u>1,233.84</u>	<u>1,024.27</u>	<u>904.07</u>	
Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc..				
(d)Money received against share warrants				
Balance as at beginning of the year	139.75	-	-	
Additions during the year	79.50	139.75	-	
Less : Converted to Equity Shares	106.00	-	-	
Balance at the end of the year	<u>113.25</u>	<u>139.75</u>	<u>-</u>	
The Company has allotted 530,000 equity shares of Rs 10 each at a premium of ₹ 10 per share on a Preferential basis on Jan 3, 2018 against the warrants converted by the holders.				
Total reserves and surplus	<u>1,636.05</u>	<u>1,399.98</u>	<u>1,094.53</u>	
(e)Accumulated other comprehensive income				
Balance at the beginning of the year	1.01	-	-	
Add : Movement during the year	3.20	1.01	-	
Balance at the end of the year	<u>4.21</u>	<u>1.01</u>	<u>-</u>	
Total other Equity	<u>1,640.25</u>	<u>1,400.99</u>	<u>1,094.53</u>	
15 LONG TERM BORROWINGS				
Secured				
Term Loans				
From Banks	14.55	21.02	6.20	
From Others	35.15	46.38	56.94	
Total	<u>49.70</u>	<u>67.40</u>	<u>63.14</u>	
15.1 Nature of Security & terms of Repayment of secured borrowing :				
a Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company				
b Term loans from Other Parties are Secured by way of first mortgage / charge on the Vehicles of the Company				
15.2 Other Details				
	Particulars	Security Covered	Date of Maturity	Number Of Installments Due
A	From Banks			
	ICICI Bank Ltd	Motor Car	01 - Jul - 21	28
B	From Other			
	Non Banking Financial Company	Motor Car	01 - Dec - 20	21
16 LONG TERM PROVISIONS				
Provision for employee benefits:				
Gratuity (Refer Note 30.2)	48.24	38.35	29.75	
Leave Encashment	20.23	9.25	0.71	
Total	<u>68.47</u>	<u>47.61</u>	<u>30.46</u>	
17 DEFERRED TAX LIABILITY (NET)				
(a)Amounts recognized in profit and loss				
Current tax expense (A) in respect of current year	105.38	54.75		
Deferred tax expense (B) in respect of current year	(9.54)	(14.25)		
Adjustments for earlier years (C)	0.00	-		
Tax expense recognized in the income statement (A+B+C)	<u>95.84</u>	<u>40.50</u>		

(b) Amounts recognized in other comprehensive income

Particulars	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	4.96	1.38	3.57	1.13	0.31	0.82
	4.96	1.38	3.57	1.13	0.31	0.82

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	%	Amount	%	Amount
Profit before tax		209.56		120.27
Tax using the Company's domestic tax rate	0.31	95.53	0.27	45.16
Tax effect of:				
Disallowable expenses	0.00	0.32	0.00	0.05
Income / Expenses not considered in Income Tax Act	-	-	0.05	7.98
Other non deductible differences	-	-	0.02	3.27
	0.31	95.84	0.25	40.50
Adjustments for earlier years	0.05	9.54	-	-
Effective income tax rate	26.88%	86.31	24.64%	40.50

(d) Movement in deferred tax

Particulars	As at 31st March, 2018						
	Not balance April 1, 2017	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(47.87)	8.08	-	-	(39.79)	-	(39.79)
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	13.34	1.46	1.38	-	13.42	13.42	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency monetary item translation difference account	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(34.63)	9.54	1.38	-	(26.38)	13.42	(39.79)

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

(₹ in Lakhs)

Particulars					As at 31st March, 2017		
	Net balance April 1, 2016	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, plant and equipment	(57.42)	9.55	-	-	(47.87)	-	(47.87)
Fair valuation of Mutual Funds	-	-	-	-	-	-	-
Fair valuation of loan given to subsidiary	-	-	-	-	-	-	-
Employee benefits	8.95	4.39	-	-	13.34	13.34	-
Fair valuation of Equity shares	-	-	-	-	-	-	-
Fair valuation of derivatives	-	-	-	-	-	-	-
Amortisation of Foreign currency monetary item translation difference account	-	-	-	-	-	-	-
Fair valuation of Security Deposits	-	-	-	-	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-	-
Tax assets (Liabilities)	(48.47)	13.94	-	-	(34.53)	13.34	(47.87)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016
18 OTHER NON CURRENT LIABILITIES			
Other Payables*	6.93	3.61	7.52
Total	6.93	3.61	7.52
* Includes staff dues.			
19 SHORT TERM BORROWINGS			
Secured			
Working Capital Loans :			
From Banks	3,479.55	1,922.63	2,009.07
Total	3,479.55	1,922.63	2,009.07
19.1 Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit and Fixed Assets and personal guarantees of directors.			
20 TRADE PAYABLES			
Micro, Small and Medium Enterprises			
Others	588.69	694.90	758.79
Total	588.69	694.90	758.79

Note:

Micro, Small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosure are given below: (₹ in Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 Apr. 2016
- Principal amount due and remaining unpaid	-	-	-
- Interest due and unpaid on the above amount	-	-	-
- Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-	-
- Payment made beyond the appointed day during the year	-	-	-
- Interest due and payable for the period of delay	-	-	-
- Interest accrued and remaining unpaid	-	-	-
- Amount of further interest remaining due and payable	-	-	-
- Total	-	-	-

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 1 Apr, 2016
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21 OTHER FINANCIAL LIABILITIES

Current maturities of long-term debt	17.88	20.18	14.53
Total	17.88	20.18	14.53

There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Act, as at the year end.

22 OTHER CURRENT LIABILITIES

Other Payables*	395.00	465.98	350.43
Total	395.00	465.98	350.43

* includes statutory dues and others

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

(₹ In Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017
23 REVENUE FROM OPERATIONS		
Revenue from Information Technology Products	21,377.20	15,829.02
Total	21,377.20	15,829.02

Note:

- a) The Company is engaged in systems integration which includes the sales of products and services as a complete solution.
- b) In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March 2017 and for the period 1st April to 30 June 2017 were reported net of Value Added Tax (VAT)/Sales Tax. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of Sales as per the requirements of Ind AS 18. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial Statements for the year ended 31st March 2018 and in particular, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are thus not comparable with the figures of the previous year.

24 OTHER INCOME

Interest income	83.30	53.52
Others #	0.00	0.01
Total	83.30	53.53

includes Miscellaneous income

25 PURCHASES OF STOCK-IN-TRADE

Purchases of Information Technology Products (Net of Transitional Credit of Excise Duty on opening stock ₹ 164.64 Lakhs on Transition to Goods & Services Tax)	18,558.43	14,146.55
Total	18,558.43	14,146.55

26 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Inventories at close		
Stock-in-Trade	1,380.78	919.32
	1,380.78	919.32
Inventories at commencement		
Stock-in-Trade	919.32	662.06
	919.32	662.06
Total	(461.46)	(257.27)

Notes forming part of the consolidated financial statements for the year ended 31 Mar, 2018

(₹ In Lakhs)

Particulars	As at 31 Mar, 2018	As at 31 Mar, 2017
27 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,913.42	1,062.31
Contributions to provident and other funds	133.27	42.59
Total	2,046.68	1,104.89
28 FINANCE COST		
a) Interest on financial liabilities earned at amortised cost Interest on borrowings	353.44	261.24
b) Other interest cost Interest on Income tax	0.63	-
Total	354.06	261.24
29 OTHER EXPENSES		
Electricity Expenses	10.72	10.75
Rent	69.12	56.52
Communication Expenses	23.13	8.31
Auditors Remuneration	5.85	5.05
Staff Welfare Expenses	30.89	24.39
Bank Charges	36.09	29.93
Conveyance And Travelling Expenses	172.92	61.14
Insurance Charges	7.10	3.90
Legal & Professional Charges	51.49	64.21
Loss On Sale Of Fixed Assets	-	11.89
Membership & Subscription	3.60	9.54
Miscellaneous Expenses	31.71	17.83
Motor Car Expenses	6.02	5.40
Printing & Stationary Expenses	18.18	6.36
Rates & Taxes	17.76	6.51
Repairs & Maintenance -Building	4.31	1.87
Repairs & Maintenance - Others	10.63	6.92
Sales Promotion Expenses	14.00	11.81
Transportation Charges	67.75	63.19
Total	581.28	405.52

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Additional Information to the financial statements****30.1. Earnings per share (EPS)**

Particulars	Units	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit after Tax	(₹/lakhs)	209.56	120.27
Weighted Number of Equity Shares	Nos. Lakhs	65.05	59.24
Earnings Per Share (of paid up Value of ₹ 10 each) Basic	₹	3.22	2.03
Earnings Per Share (of paid up Value of ₹ 10 each) Diluted	₹	2.28	1.31

30.2. Defined benefit plans – Gratuity:

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the status of the Gratuity Plan and the amounts recognized in the financial statement:

(₹ In Lakhs)				
	Particulars	2018 Amount (₹)	2017 Amount (₹)	2016 Amount (₹)
I.	Assumptions :			
	Discount Rate	7.66%	7.95%	8.09%
	Salary escalation rate	3.00%	4.00%	4.00%
II.	Table Showing Change in Benefit Obligation :			
	Liability at the beginning of the year	38.35	29.75	15.03
	Current Service Cost	9.88	8.61	14.72
	Balance	48.24	38.35	29.75
	Liability at the end of the year	48.24	38.35	29.75
III.	Amount Recognized in the Balance Sheet			
	Liability at the end of the year	48.24	38.35	29.75
	Difference	53.19	38.35	29.75
	Amount Recognized in the Balance Sheet	53.19	38.35	29.75
IV.	Expenses Recognized in the Income Statement :			
	Current Service Cost	9.88	8.61	14.72
	Expense Recognized in P&L	9.88	8.61	14.72
IV.	Expenses Recognized in the OCI :			
	Current Service Cost	4.96	1.13	NIL
	Expense Recognized in P&L	4.96	1.13	-

Maturity Analysis of the Benefit Payments

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
	31/03/2018	31/03/2017
1st Following Year	3.25	1.29
2nd Following Year	1.51	1.40
3rd Following Year	1.68	3.11
4th Following Year	1.85	1.61
5th Following Year	2.32	1.75
Sum of Years 6 To 10	14.11	10.90
Sum of Years 11 and above	149.47	113.05

Sensitivity Analysis

(₹ in Lakhs)

	31/03/2018	31/03/2017
Projected Benefit Obligation on Current Assumptions	48.24	38.35
Delta Effect of +1% Change in Rate of Discounting	(5.57)	(4.47)
Delta Effect of -1% Change in Rate of Discounting	6.76	5.42
Delta Effect of +1% Change in Rate of Salary Increase	7.04	5.63
Delta Effect of -1% Change in Rate of Salary Increase	(5.86)	(4.69)
Delta Effect of +1% Change in Rate of Employee Turnover	3.43	2.89
Delta Effect of -1% Change in Rate of Employee Turnover	(4.08)	(3.38)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

30.3. Related Party Disclosures

- a. The names of related parties and the nature of relationship are as under:
 - (i) Entities in which Directors are interested
 - S. P. Corporation
 - Trigem Infosolutions Limited
 - (ii) Key Managerial Personnel
 - a) Executive Director
 - Shirish M. Anjaria
 - Parag J. Dalal
 - Dharmesh S. Anjaria

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Party	Nature of Payment	2018 (₹/lakhs)	2017 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	1.80	1.80
M/s S.P. Corporation	Reimbursement of Expenses	4.23	1.87
Mr. Shirish M. Anjaria	Remuneration	21.00	21.00
Mr. Parag J. Dalal	Remuneration	18.00	18.00
Mr. Dharmesh S. Anjaria	Remuneration	18.00	18.00
Mr. Ravishankar Singh	Remuneration	1.13	1.13

Notes:

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

30.4. Segment Information

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

30.5. Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

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

b) Guarantees given by the company's bankers ₹ 1500.61 lakhs (previous year ₹ 1016.07 lakhs)

30.6. Financial Instruments

A. Capital Management :

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15, 19 and 21) and total equity of the Company.

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

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current borrowings	49.70	67.40	63.14
Current maturities of non-current Borrowings	17.88	20.18	14.53
Current borrowings	3,479.55	1,922.63	2,009.07
Total Debt	3,547.13	2,010.21	2,086.74
Equity	2,331.06	2,038.80	1,686.84
Net debt to equity ratio	1.52	0.99	1.24

For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

B. Financial Instruments-Accounting Classifications and Fair value measurements (Ind AS 107)

i) Classification of Financial Assets and Liabilities:

(₹ in Lakhs)

Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017	As at 1st Apr, 2016
Financial Assets			
Measured at amortised cost			
Trade receivables	3,953.71	2,849.46	3,035.29
Cash and cash equivalents	712.39	797.67	494.70
Bank balances other than above	200.14	127.71	130.79
Loans	9.99	11.41	7.04
Other Financial Assets	311.52	117.06	-
Long Term Loans And Advances	-	-	292.12
Designated at fair value through other comprehensive income			
Investments in equity shares	0.89	1.28	1.09
Total	5,188.64	3,904.59	3,961.03
Financial Liabilities			
Measured at amortised cost			
Long-Term Borrowings	49.70	67.40	63.14
Short-Term Borrowings	3,479.55	1,922.63	2,009.07
Trade Payables	588.69	694.90	758.79
Other Financial Liabilities	17.88	20.18	14.53
Total	4,135.83	2,705.11	2,845.53

ii) **Fair Value Measurements (Ind AS 113):****Fair value measurement hierarchy**

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets, which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and Financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:-

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

> **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2018, 31 March 2017, and 01 April 2016:

a) **Quantitative disclosures fair value measurement hierarchy for assets as at the reporting date:**

(₹ in Lakhs)

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Financial Assets Fair value through Other Comprehensive Income					
Investments in quoted - equity instrument					
	31-Mar-18	0.89	0.38	-	0.51
	31-Mar-17	1.28	0.77	-	0.51
	01-Apr-16	1.09	0.58	-	0.51

There have been no transfers between levels during the period.

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

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

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

(₹ in Lakhs)

Particulars	Total	FVTOCI financial investments
Balance as at 1st April 2016	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31st March, 2017	0.51	0.51
Addition / (Deletion) during the year	-	-
Balance as at 31st March, 2018	0.51	0.51

Loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature

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

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

a) Credit risk

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

Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

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

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
0-180 days	3,794.68	2,682.96	2878.06
181-365 days	111.56	107.95	103.30
Above 365 days	47.32	58.55	53.93
Total	3,953.71	2,849.46	3,035.29

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

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

Other financial assets

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

b) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

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

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade

receivables are all contractually due within 30 - 180 days based on the credit period. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

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

(₹ in Lakhs)

Particular	Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year
As at 31 March 2018			
Borrowings	3,479.55	3,479.55	-
Trade Payables	588.69	588.69	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	67.58	17.88	49.70
As at 31 March 2017			
Short-Term Borrowings	1,922.63	1,922.63	-
Trade Payables	694.90	694.90	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	87.58	20.18	67.40
As at 01 April 2016			
Short-Term Borrowings	2,009.07	2,009.07	-
Trade Payables	758.79	758.79	-
Long-Term Borrowings (Borrowings (including Current Maturities of Long-Term Debts))	77.67	14.53	63.14

c) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD)

To mitigate the Company's exposure to foreign currency risk, cash flows are continuously monitored.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

(₹ in Lakhs)

Particulars	As at 31st March , 2018	As at 31st March , 2017	As at 1st April , 2016
Financial assets			
Trade receivables	59.41	225.43	108.20
Net exposure for assets	59.41	225.43	108.20
Financial liabilities	-	-	-
Net exposure for liabilities	-	-	-
Net exposure (Assets - Liabilities)	59.41	225.43	108.20

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

Sensitivity analysis

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

Impact on profit or loss

Movement in currency (Before tax)	Increase in Exchange rate by 5%			Decrease in Exchange rate by 5%		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016
USD	2.97	11.27	5.41	(2.97)	(11.27)	(5.41)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

The Company's investments in term deposits (i.e. certificates of deposits) with banks, investments in preference shares, mutual funds and debentures are at fixed interest rate and therefore do not expose the company to significant interest rate risk.

Interest Rate Exposure:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Term loans - long term	-	-	-
Floating Rate Borrowings	67.58	87.58	77.67
Fixed Rate Borrowings	3,479.55	1,922.63	2,009.07
Short term borrowings	3,547.13	2,010.21	2,086.75

Interest rate sensitivities for floating rate borrowings:

(₹ in Lakhs)

Movement in rate	Increase in Interest rate by 0.25%			Decrease in Interest rate by 0.25%		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Term loans - long term	-	-	-	-	-	-
Short term borrowings	8.70	4.81	5.02	(8.70)	(4.81)	(5.02)

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

30.8. Lease Commitments
Operating Lease

The company has 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 ₹ 69.12 lakhs (Previous year ₹ 56.52 (lakhs). The deposit paid in respect of the same is Rs. 30.02 Lakhs (as at 31st March, 2017: ₹ 26.51 lakhs)

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Not later than one year	7,369,422	5,008,553	4,947,031
Later than one year but not later than five years	6,525,093	10,239,665	15,248,218
More than five years	-	-	-
Total	13,894,515	15,248,218	20,195,249

30.9. Disclosures as required under schedule iii to the Companies Act 2013 with respect to Consolidated Financial Statements

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated profit or loss	Amount
Dynacons Systems & Solutions PTE Ltd	0.72%	16.84	9.78%	20.49	0.28%	0.01	9.63%	20.50

30.10. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the 'Previous GAAP'.

The Significant Accounting Policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended 31st March 2018, 31st March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2016.

Dynacons Systems & Solutions PTE., subsidiary of Dynacons Systems & Solutions Ltd was incorporated on 20th March, 2017, therefore there is no consolidated financial statements as at 01st April, 2016. The Holding company namely Dynacons Systems & Solutions Ltd has adopted Ind AS from April 1, 2017 hence there is a need to prepare an opening Ind-AS balance sheet as at 1st April, 2016. For the purpose of reconciliations holding company's standalone financial statement as at 1st April, 2016 has been considered in the consolidated financial statements.

In preparing its Ind AS Balance Sheet as at 1st April 2016 and in presenting the comparative information for the year ended 31st March 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

I. Explanation of transition to Ind AS

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional Exemptions availed

Deemed cost for property, plant and equipment, investment property and intangible assets.

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Mandatory Exceptions

a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not

required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively i.e. after the transition date.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

II. Reconciliation of Balance Sheet as at 1st April, 2016 and 31st March, 2017

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2017 (End of the last period presented under previous GAAP)			As at 1st April, 2016 (Date of transition)		
		Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet	Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	I, A & F	303.07	-	303.07	346.15	-	346.15
(b) Goodwill on Consolidation		0.06	(0.06)	-	-	-	-
(c) Financial Assets							
(i) Investments	A	1.11	0.17	1.28	1.11	(0.03)	1.09
(ii) Loans		-	-	-	292.12	-	292.12
Total non-Current Assets		304.24	0.11	304.35	639.38	(0.03)	639.36
Current assets							
(a) Inventories		919.32	-	919.32	662.06	-	662.06
(b) Financial Assets							
(i) Trade receivables	B & H	2,849.47	-	2,849.47	3,035.29	-	3,035.29
(ii) Cash and cash equivalents		797.67	-	797.67	494.70	-	494.70
(iii) Bank balances other than (ii) above		127.71	-	127.71	130.79	-	130.79
(iv) Loans		11.41	-	11.41	7.04	-	7.04
(v) Other Financial Assets	G.	117.06	-	117.06	-	-	-
(c) Other Current Assets		168.65	-	168.65	-	-	-
Total current assets		4,991.29	-	4,991.29	4,329.88	-	4,329.88
TOTAL ASSETS		5,295.53	0.11	5,295.64	4,969.27	(0.03)	4,969.25

EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		637.81	-	637.81	592.31	-	592.31
(b) Other Equity	E	1,400.89	0.11	1,401.00	1,094.55	(0.03)	1,094.53
Total equity		2,038.70	0.11	2,038.81	1,686.86	(0.03)	1,686.84
Non-current liabilities							
(a) Financial Liabilities							
Long-Term Borrowings		87.40	-	67.40	63.15	-	63.15
(b) Long-Term Provisions		47.61	-	47.61	30.46	-	30.46
(c) Deferred Tax Liabilities (Net)	C	34.53	-	34.53	48.47	-	48.47
(d) Other non-current liabilities		3.61	-	3.61	7.52	-	7.52
Total non-Current Liabilities		153.15	-	153.15	149.60	-	149.60
Current liabilities							
(a) Financial Liabilities							
(i) Short Term Borrowings		1,922.63	-	1,922.63	2,009.07	-	2,009.07
(ii) Trade Payables	H	694.90	0.00	694.90	758.79	-	758.79
(iii) Other Financial Liabilities		20.18	-	20.18	14.53	-	14.53
(b) Other Current Liabilities		465.98	-	465.98	350.43	-	350.43
Total Current liabilities		3,103.69	-	3,103.69	3,132.82	-	3,132.82
TOTAL EQUITY AND LIABILITIES		5,295.53	0.11	5,295.64	4,969.27	(0.03)	4,969.25

III. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in Lakhs)

Sr.No	Particulars	Notes	Previous GAAP	Ind AS adjustment	Amount as per Ind AS Statement of Profit and Loss
1	INCOME				
	(a) Revenue from Operations		15,829.02	-	15,829.02
	(b) Other Income		53.53	-	53.53
2	Total Revenue		15,882.55	-	15,882.55
3	EXPENSES				
	(a) Purchases of Stock-in-Trade		14,146.55	-	14,146.55
	(b) Changes in Inventories Of Stock-In-Trade		(257.27)	-	(257.27)
	(c) Employee Benefits Expense	D	1,103.76	1.13	1,104.89
	(d) Finance Costs		261.24	-	261.24
	(e) Depreciation And Amortisation Expense		60.83	-	60.83

	(f)	Other Expenses		405.52	-	405.52
4		Total Expenses		15,720.65	1.13	15,721.78
5		Profit before tax		161.90	(1.13)	160.76
6		Tax Expense:				
	(a)	Current Tax		54.75	-	54.75
	(b)	Deferred Tax	C	(13.94)	(0.31)	14.25
		Total Tax Expense		40.81	(0.31)	40.50
7		Profit for the period		121.08	(0.82)	120.27
8		Other Comprehensive Income				
	(i)	Items that will not be reclassified to profit or loss				
		Measurement of defined employee benefit plan		-	1.13	1.13
		Gains and losses from investments in equity instruments	A	-	0.19	0.19
		Difference in foreign exchange rates		-	-	-
		Total		-	1.33	1.33
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	0.31	0.31
		Total Other Comprehensive Income		-	1.64	1.01
9		Total comprehensive income for the year		121.08	0.82	121.28

IV. On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2017

V. Reconciliation of Equity as at 31st March 2017 and 1st April 2016

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
Equity as per Previous GAAP		2,038.70	1,686.86
Fair value measurement of investment in equity instruments	A	0.11	(0.03)
		2,038.81	1,686.83

VI. Reconciliation of total comprehensive income:

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March, 2017
Net Profit as per Previous GAAP		121.08
Measurement of defined employee benefit plan	D	(1.13)
Deferred tax impact on above adjustments	C	0.31
Net profit after tax as per Ind AS		120.27
Other Comprehensive Income (net of taxes)	E	1.02
Total Comprehensive income as per Ind AS		121.28

VII. Notes to reconciliation :**A. Fair valuation of investments**

All Investments except investments in group companies have been fair valued in accordance with Ind AS 109. Investments in debt securities are measured at amortised costs. Other investments are fair valued through profit or loss. Under Previous GAAP, current investments were carried at cost net of diminution in their value as at the Balance Sheet date. The long term investments were carried at cost net of permanent diminution, if any.

B. Trade receivables

Under previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company.

Under Ind AS the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

The carrying amount of the Trade Receivables are considered as a reasonable approximation of fair value, hence no provision is made for Expected credit Losses

C. Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

Under Ind AS, accounting of deferred taxes is done using the Balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D. Remeasurement of Defined benefits liabilities

Under previous GAAP the company recognised remeasurements of defined benefits plans under profit and loss. Under Ind AS, remeasurement of defined benefits plans are recognised in Other Comprehensive Income

E. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard enquires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

F. Reinstatement of PPE as per Ind AS 16 in case of subsidiary

The company has restated PPE of its subsidiary in accordance with Ind AS 16 with a corresponding effect in provision for Depreciation.

G. Others

Other adjustments on account of transition to Ind AS include fair valuation of deposits and effect of adjustments relating to revenue recognition.

H. The previous year Previous GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

As per our report of even date attached

For and on behalf of the Board of Directors

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

Pinakee Parikh
Partner
Membership No. 148186

Shirish Anjarla
Chairman cum Managing Director
DIN:00444104

Parag Dalal
Executive Director
DIN:00409894

Dharmesh Anjaria
Executive Director
DIN:00445009

Ravishankar Singh
Company Secretary

Place : Mumbai
Date : May 30, 2018

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN :L72200MH1995PLC093130

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

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

ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING ON SATURDAY, 29th SEPTEMBER, 2018 at 2.30 P.M.

(To be presented at the entrance)

Mr./Mrs./Miss :

Address :

.....

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

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

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

I/We hereby record my/our presence at the 23rd Annual General Meeting (AGM) of the Company held on Saturday, 29th September, 2018, at 02:30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, India or any adjournment thereof.

[Signature of Shareholders/Proxy(s)]

Notes :

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

**PROXY FORM
(FORM MGT-11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules 2014]
CIN : L72200MH1995PLC093130

23rd ANNUAL GENERAL MEETING ON SATURDAY, 29th SEPTEMBER, 2018 at 2.30 P.M.

Name of the Company : Dynacons Systems & Solutions Limited

Registered Office : 78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (W), Mumbai-400056

Name of the member (s) :

Registered address :

Folio No./Client Id :

DP ID :

E-mail Id :

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

1. Name : E-mail Id:

Address :

Signature : or failing him/her

2. Name : E-mail Id:

Address :

Signature : or failing him/her

3. Name : E-mail Id:

Address :

Signature : or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual general meeting of the Company to be held on Saturday, 29th September, 2018 at 02:30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description of Resolutions	Assent	Dissent
Ordinary Business:			
1.	Adoption of Audited Balance Sheet and Profit & Loss Account for the financial year ended as at March 31, 2018, the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.		

2.	Appointment of a Director in place of Mr. Dharmesh Anjaria (Din no.:00445009), who retires by rotation and, being eligible, offers himself for re-appointment.		
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Signed this _____ day of _____ 2018

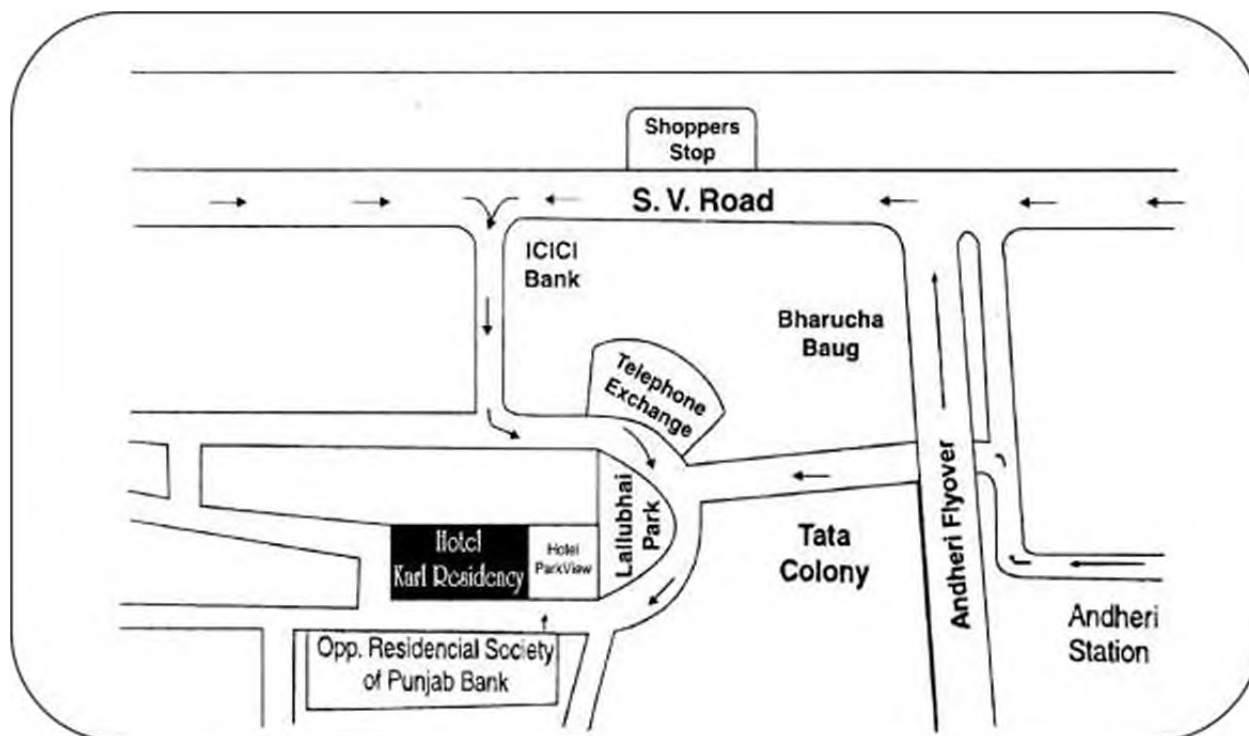
Signature of shareholder.....

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

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
3. The proxy need not be a member of the Company and shall provide his/her identity proof such as PAN Card, Aadhar Card at the time of attending AGM.
4. In the case of Jointholders, the signature of any one holder will be sufficient, but names of all jointholders should be stated point a single person as a proxy. However, such person shall not act as proxy for any other shareholders.



Notes

Dynacons Technical Expertise



Our Offerings



**System
Integration**



**Managed
Services**



**Data Center
Solutions**



**Networking
& Security
Solutions**



**Workplace
Solutions**



**Smart City &
Surveillance
Solutions**



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High-Growth Companies
Asia-Pacific

2018

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



CIO Choice – "Emerging IT Services Company"



"Hall of Fame"



"HPE Champion Award"



"Datacenter Award"



Awards & Recognitions



"Solution Champ"



"Security Award"



"Hyperconverged Infrastructure Award"



"Aruba Award for Enterprise Business"

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