



DYNACONS
SOLUTIONS THAT EMPOWER

October 5, 2016

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| 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 |
|--|--|

Dear Sir,

Sub: Annual Report of Dynacons Systems & Solutions Ltd for Financial Year 2015-2016

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 2015-2016.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For Dynacons Systems & Solutions Limited

Ravishankar Singh
Company Secretary

Encl.: Copy as above

Dynacons Systems & Solutions Limited

CIN NO : L72200MH1995PLC093130

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

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

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

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



DYNACONS
SOLUTIONS THAT EMPOWER

ANNUAL REPORT
2015-2016

DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|----------------------------------|--|
| Shri. Shirish M. Anjaria | Chairman cum Managing Director |
| Shri. Parag. J. Dalal | Executive Director |
| Shri. Dharmesh S. Anjaria | Executive Director |
| Shri. Viren Shah | Director |
| Shri. Vishal G. Chappar | Director (Resigned w.e.f. 19th Sept,2015) |
| Shri. Dilip Palicha | Director |
| Smt. Archana Phadke..... | Director |
| Shri. Jitesh Jain..... | Director (Appointed w.e.f. 19th Sept,2015) |

Registrar & Transfer Agents

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

PRINCIPAL BANKERS

Dena Bank

COMPANY SECRETARY

Mr. Ravishankar Singh

REGD. OFFICE

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

AUDITORS

Palan & Co.
Chartered Accountants
Mumbai.

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AWARDS & CERTIFICATIONS



ISO 20000 certified

ISO 27001 certified

CMMI Level 5 certified

Our Tie-ups



IBM
IBM Business Partner



HP
HP Business Partner



LENOVO
Platinum Business Partner



DELL
Preferred Partner

The power to do more



CISCO
CISCO Business Partner



MICROSOFT
Silver Certified Partner



ORACLE
Gold Partner



JUNIPER NETWORKS
Business Partner



ARUBA NETWORKS
Business Partner



REDHAT
Business Partner



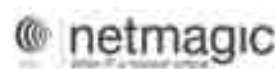
RUCKUS WIRELESS
Business Partner



SYMANTEC
Business Partner



APPLE
Authorized Reseller



NETMAGIC
Business Partner



RIVERBED
Riverbed Certification



VODAFONE
Business Partner



AIRTEL
Business Partner



RELIANCE COMMUNICATIONS
Business Partner

NOTICE

NOTICE is hereby given that the Twenty first Annual General Meeting of the members of **Dynacons Systems & Solutions Limited** (CIN : L72200MH1995PLC093130) will be held on Friday, 30th Day of September, 2016 at 4.30 P.M., at Hotel Planet Residency, 12, Subhash Road, Adjacent to Garware House, Vile Parle (E), Mumbai-400057, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dharmesh Anjaria (Din: 00445009), who retires from the office of Whole-time director by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Statutory Auditors of the Company:

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

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

SPECIAL BUSINESS:**4. Appointment of Mr. Shirish Anjaria (Din no. : 00444104) as Chairman cum Managing Director:**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re- enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard, and as per Article 106 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Shirish M. Anjaria (Din no. 00444104), as Chairman cum Managing Director of the Company, for a period of 3 (Three) years with effect from February 1, 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting

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

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

5. Appointment of Mr. Parag Dalal (Din no.: 00409894) as Whole-time Director:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re- enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any other law and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard and as per Article 90 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Parag Dalal (Din. No. 00409894), as Whole Time Director of the Company, for a period of 3 (Three) years with effect from February 1, 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

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

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

6. Appointment of Mr. Dharmesh Anjaria (Din no.: 00445009) as Whole-time Director:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any other law and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard and as per Article 90 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Dharmesh S. Anjaria (Din. No. 00445009), as Whole Time Director of the Company, for a period of 3 (Three) years with effect from February 1, 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

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

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

7. Appointment of Mr. Jitesh Jain (Din no.:07138774) as an Independent Director:

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

"RESOLVED THAT Mr. Jitesh Jain (holding Din:07138774), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19th September, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 78 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 26th Annual General Meeting of the Company to be held in the year 2021."

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

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

Parag Dalal
Executive Director
DIN No : 00409894

Date : September 1, 2016

Place : Mumbai

Registered Office

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

CIN No: **L72200MH1995PLC093130**

NOTES:

1. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4 to 7 forms part of this Notice. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings in respect of Director seeking re-appointment at the Annual General Meeting for Item no. 2, 4 to 7 is furnished as annexure to the Notice.
2. **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company.** Proxies in order to be effective must be received by the Company not less than **48 hours** before the meeting.
3. 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.
4. Members / Proxies should bring the enclosed attendance slip duly filled in, mentioning details of their DP ID and Client ID/Folio No. for attending the meeting, along with the Annual Report.
5. 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. The Register of Members and Share Transfer books of the Company will remain closed from Saturday, the 24th day of September, 2016 to Friday, the 30th day of September, 2016. (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. In compliance with the provisions of Section 108 of the act and the rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited(NSDL), on all the resolutions set forth in the notice.
12. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents- BSPL. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company.
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 2016-17 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 2015-16 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 2015-16 will also be available on the Company's website viz. www.dynacons.com.
18. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
19. Voting through electronic means:
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting

Services as provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The process and manner for remote e-voting are as under:

A. In case a Member receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

- i. Open the e-mail and also open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
- iii. Click on Shareholder - Login. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- v. Password change menu appears. Change the password/PIN with the new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- vii. Once the e-voting home page opens, click on remote e-voting: Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Dynacons Systems & Solutions Limited. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csshrutishah@gmail.com, with a copy marked to evoting@nsdl.co.in.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual for members, available at the downloads Section of www.evoting.nsdl.com or toll free no. 1800-222-990.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) or requesting physical copy]:

i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

| <u>EVEN (Remote e-voting Event Number)</u> | <u>USER ID</u> | <u>PASSWORD/PIN</u> |
|--|----------------|---------------------|
|--|----------------|---------------------|

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. Other Instructions:

- i. The remote e-voting period commences on September 27, 2016 (9:00 am IST) and ends on September 29, 2016 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2016, may cast their vote by remote e-voting. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2016, may obtain the login ID and password by sending a request at www.evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting@nsdl.com or contact NSDL at the following toll free no. 1800-222-990.
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2016.
- 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 (Membership No. 22923) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- x. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Twenty first AGM of the Company on September 30, 2016 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

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

Parag Dalal
Executive Director
DIN No : 00409894

Date : September 1, 2016

Place : Mumbai

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai - 400 056

CIN No: **L72200MH1995PLC093130**

EXPLANATORY STATEMENTS

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 4, 5, 6 & 7 of the accompanying Notice dated September 1, 2016.

ITEM NO. 4

Mr. Shirish M. Anjaria, who was appointed as Chairman cum Managing Director by the members to hold office upto January 30, 2016 has attained the age of 72 years and hence continuation of his employment as Executive Chairman cum Managing Director requires the approval of members by way of a special resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

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

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

Mr. Shirish M. Anjaria had completed his term as a Chairman cum Managing Director (00444104) on February 1, 2016. The Board of Directors at their Meeting held on January 30, 2016 considered and decided, subject to the approval of members, re-appointment of Mr. Shirish M. Anjaria as Chairman cum Managing Director for a further period of 3 years from the expiry date of his term, on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on January 28, 2016.

Mr. Anjaria is a graduate in Science and holds a post graduate degree in Law. He is a Certified Associate of the Federation of Insurance Institutes. He has wide experience across industries and has rich exposure in Business Management, Corporate Affairs and customer relations. He has spearheaded the growth of the Company from a start-up to and is currently one of the leading IT Infrastructure Solutions Providers in the country. Under his Chairmanship, Dynacons has forged strategic alliances with global IT majors such as IBM, Intel, HP, Microsoft, Lenovo, Sony, Cisco etc. He was also the founder of the Millenium PC initiative which was recognised by Intel, USA. Mr. Anjaria has attained the age of 72 years, at this crucial juncture, the continued services of Mr. Anjaria is considered essential for guiding the Company to the next level of growth.

The remuneration package of Mr. Shirish Anjaria, as determined by the Remuneration Committee at its meeting held on January 28, 2016 and approved by the Board of Directors at the Board Meeting held on January 30, 2016, is forming the part of Item no. 4 of the Agenda for this Meeting.

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

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

In the terms of provisions of the Companies Act, 2013, consent of shareholders is required for the appointment of Mr. Shirish Anjaria as the Chairman cum Managing Director. The Board recommends the resolution for the approval of the members as a Special resolution since Mr. Anjaria has attained the age of 72 years. The copy of the Board resolution and the letter issued to Mr. Shirish Anjaria, Chairman cum Managing Director will be available for inspection between 11.00 A.M. to 1.00 P.M. on all working days (Monday to Friday) at the corporate office of the Company.

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

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

Period of Agreement : From 01.02.2016 to 31.01.2019

1. Salary : Rs. 3,50,000/- per month (Rupees Three Lakhs Fifty Thousand Only)
2. Commission : 1% (One percent) of the Net Profit of the Company, subject to a ceiling of 50% (Fifty percent) of the salary..

3. Perquisites : In addition to the above, the Chairman cum Managing Director shall be entitled to the all the perquisites listed herein below:

a. Housing: The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Chairman shall be entitled to such house rent allowance as may be decided by the Board of Directors from time to time subject however to a limit of 60% of his salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

b. Medical Reimbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.

c. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company applicable to its senior managers.

d. Club Fees: Fees of clubs, subject to a maximum of three clubs.

e. Personal Accident Insurance / Group Like Insurance: Premium not to exceed Rs. 25,000 per annum.

f. Provident Fund / Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.

g. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

h. Use of Car with driver: The Company shall provide the Chairman a car with driver for business and personal use.

i. Telephone Facility at Residence: Telephone facility shall be provided at the Chairman's residence. All personal long distance calls shall be billed by the Company to the Chairman.

Other terms and conditions:

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

b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Shirish Anjaria remuneration, perquisites not exceeding the ceiling laid down in Part II Section II of Schedule V of the Companies Act, 2013, as might be decided by the Board of Directors.

c. "Family" means the spouse and dependent children of the Chairman cum Managing Director.

d. Leave with full pay and allowances shall be allowed as per the Company's rules.

e. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

f. No sitting fees shall be paid to the Chairman cum Managing Director for attending the meetings of the Board of Directors or Committees thereof.

g. The Chairman shall not be liable to retire by rotation.

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

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

I. General Information

(1) Nature of Industry:

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

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

The Company has been in business for the past 20 years.

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

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

| Particulars | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--------------------------------------|------------|------------|------------|
| Sales(Gross) | 12418.19 | 10492.21 | 7731.84 |
| Profit before Tax | 131.39 | 103.17 | 83.87 |
| Profit After tax | 91.19 | 68.76 | 57.92 |
| Shareholders fund | 1686.86 | 1595.67 | 1622.43 |
| Rate of dividend on equity shares(%) | - | - | - |

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

II. Information about the appointee:

(i) Background details:

Mr. Shirish M. Anjaria the founder of Dynacons Systems & Solutions Limited. He is a Graduate in Science and Post Graduate in Law with more than 40 years of rich work experience. He started his career in India with Insurance and National Insurance Company Limited and then turned into an entrepreneur starting his own venture. He is also an Associate of Federation of Insurance Institute. He has wide experience of Business Management, Corporate Affairs and Customer Relations.

(ii) Past Remuneration:

For the financial year 2014-2015, Mr. Shirish M. Anjaria's total remuneration was Rs.7,20,000/-.

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

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

(iv) Remuneration proposed:

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

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

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

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

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

(III) Other Information

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

Steps taken or proposed to be taken for improvements:

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

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

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

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

ITEM NO. 5 & 6

The Board of Directors of the Company (the Board), at its meeting, held on January 30, 2016, has subject to the approval of members, re-appointed, Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria as Whole-time Directors (Executive Directors) for a further period of 3 years from the expiry dates of their respective terms on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on January 28, 2016.

A brief profile of Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria, nature of their expertise in specific functional areas and names of companies in which they hold Directorship and membership/chairmanship of Board Committee's as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, are annexed hereto.

The remuneration package of Mr. Parag Dalal & Mr. Dharmesh Anjaria, as determined by the Remuneration Committee dated January 28, 2016 and approved by the Board of Directors at the Board Meeting held on January 30, 2016 is forming the part of the Resolution under Item no. 5 & 6 of the Agenda for this Meeting. Mr. Parag Dalal's & Mr. Dharmesh Anjaria's appointment as a Whole-time directors on the Board of the Company was on the basis of them being liable to retire by rotation. They will continue to be the Whole-time directors of the Company till their term comes for retirement by rotation. They are eligible to seek re-election at the Annual General Meeting in which they retire by rotation.

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

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

Period of Agreement: From 01.02.2016 to 31.01.2019

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

Other terms and conditions:

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

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b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Parag Dalal & Mr. Dharmesh S. Anjaria, remuneration, perquisites not exceeding the ceiling laid down under Part II Section II of Schedule V read with Section 196 and 197 of the Companies Act, 2013, as might be decided by the Board of Directors.

c. "Family" means the spouse and dependent children of the Whole Time Director.

d. Leave with full pay and allowances shall be allowed as per the Company's rules.

e. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

f. No sitting fees shall be paid to the Whole Time Director for attending the meetings of the Board of Directors or Committees thereof.

g. The Whole Time Director shall not be liable to retire by rotation.

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

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

No other director is directly or indirectly concerned or interested.

The information below is in relation to the proposal contained in item No.5 & 6 of the Notice relating to re-appointment of Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria as Whole-Time Directors of the Company.

I. General Information

(1) Nature of Industry:

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

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

The Company has been in business for the past 20 years.

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

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators:

(₹ in Lakhs)

| Particulars | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--------------------------------------|------------|------------|------------|
| Sales(Gross) | 12418.19 | 10492.21 | 7731.84 |
| Profit before Tax | 131.39 | 103.17 | 83.87 |
| Profit After tax | 91.19 | 68.76 | 57.92 |
| Shareholders fund | 1686.86 | 1595.67 | 1622.43 |
| Rate of dividend on equity shares(%) | - | - | - |

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

II. Information about the appointee:

(i) Background details:

Mr. Parag J. Dalal is an Intel Certified Solutions Consultant and Post Graduate in Computer Applications. He has wide experience over 15 years in Information Technology Services and Solutions and IT Industry.

Mr. Dharmesh S. Anjaria, by qualification is a B.Com. A.C.A., AICWA and is a Intel Certified Integration Specialist. He has a vast experience in the field of System Integration, Finance, Taxation and Corporate Affairs for over 12 years.

(ii) Past Remuneration:

Remuneration for the Financial Year 2014-15

Mr. Parag Dalal: Rs. 12,00,000 /-

Mr. Dharmesh S. Anjaria: Rs. 12,00,000 /-

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

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

(iv) Remuneration proposed:

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

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

The remuneration of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria is in tune with the remuneration in similar sized companies in similar segment of business.

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

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

(III) Other Information

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

Steps taken or proposed to be taken for improvements:

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

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

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

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

None of the Directors of the Company except Mr. Parag Dalal & Mr. Dharmesh S. Anjaria is concerned or interested in the proposed resolution.

The Board recommends the resolution at item No. 5 & 6 for approval by member.

ITEM NO. 7

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

Mr. Jitesh Jain, Non-executive Director of the Company, has given a declaration to the board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Mr. Jitesh Jain, as an Independent Director of the Company till the conclusion of the 26th Annual General Meeting of the Company to be held in the year 2021.

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

A brief profile of Mr. Jitesh Jain, nature of his expertise in specific functional areas and names of companies in which he hold Directorship and membership/chairmanship of Board Committee's as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, are annexed hereto.

The Board recommends the resolution at item No. 7 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 7 of the Notice except Mr. Jitesh Jain.

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

| Particulars | Mr. Shirish Anjaria | Mr. Parag Dalal |
|--|---|--|
| Director Identification Number (DIN) | 00444104 | 00409894 |
| Date of Birth | 30/09/1944 | 23/05/1968 |
| Date of Appointment | Since Incorporation | Since Incorporation |
| Experience in functional Area | Wide experience across industrial and has rich exposure in Business Management, Corporate Affairs and customer relations. | Over 20 years of work experience, in the field of Business, Information Technology, Software Development and Services. |
| Qualification | Graduate in Science Post Graduate in Law. Associate of Federation of Insurance Institute | Intel certified solution Consultant digital electronics post Graduate in Computer Applications. |
| Directorship in other Companies (Public Limited Companies) | Please refer corporate Governance Report section of the Annual Report 2015 - 16 | Please refer corporate Governance Report section of the Annual Report 2015 - 16 |
| 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. 3,50,000/- per month | Upto Rs. 2,50,000/- per month |
| Remuneration Paid | Rs. 86667/- per month | Rs. 110000/- per month |

| Particulars | Mr. Dharmesh Anjaria | Mr. Jitesh Jain |
|--|--|---|
| Director Identification Number (DIN) | 00445009 | 00282797 |
| Date of Birth | 05/01/1973 | 31/07/1977 |
| Date of Appointment | 01/02/2010 | 19/09/2015 |
| 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. | Mr. Jitesh 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. |
| Qualification | B.Com., A.C.A , AICWA, Intel Certified Integration Specialist | B.Com., Chartered Accountant |
| Directorship in other Companies (Public Limited Companies) | Please refer corporate Governance Report section of the Annual Report 2015 - 16 | Please refer corporate Governance Report section of the Annual Report 2015 - 16 |
| 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 | NA |
| Remuneration Paid | Rs. 110000/- per month | NA |

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

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

Parag Dalal
Executive Director
DIN No : 00409894

Date : September 1, 2016

Place : Mumbai

Registered Office

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

CIN No: **L72200MH1995PLC093130**

Directors Report

Your Directors are pleased to present the **Twenty First** Annual Report on the business and operations of the Company for the year ended March 31, 2016.

1. Financial Highlights

(₹ In lacs)

| Sr. No. | Particulars | Year ended 31/03/2016 | Year ended 31/03/2015 |
|---------|---|-----------------------|-----------------------|
| 1. | Total Income | 12470.30 | 10535.31 |
| 2. | Total Expenditure (Excl. Depreciation & Interest) | 12024.61 | 10117.07 |
| 3. | Interest | 252.06 | 193.86 |
| 4. | Depreciation | 62.24 | 121.21 |
| 5. | Profit before Tax | 131.39 | 103.17 |
| 6. | Provision for Taxation | 40.19 | 34.40 |
| 7. | Profit after tax | 91.19 | 68.76 |

2. Management Analysis and Discussions

Company performance:

Your Company delivered a strong performance during 2015-16, with total revenues of Rs. 12470.30 Lakhs as compared with Rs.10535.31 Lakhs during the previous year, reflecting a growth of 18% over the previous year. The profit before tax stood at Rs. 131.39 Lakhs as compared to Rs. 103.17 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs.40.19 Lakhs and the profit after tax stood at Rs. 91.19 Lakhs for the current year, an increase of 33% over the previous year.

Your Company's growth has been a result of its customer-centric business model and a balanced portfolio of integrated solutions and services. Your Company's philosophy in building new capabilities has led to increased participation in our customers' IT spend. The core business portfolio has performed very well with all key segments posting steady growth led by Banking & Financial Services and global customers. The Company's rich industry experience and domain expertise enables it to deliver a suite of offerings, which addresses the industry's demand.

Industry structure and developments:

In 2015, global economic activity remained subdued, with world output slowing down further. Steep falls in oil prices, continued weakness in commodity prices, a slowdown in some large emerging market economies more than offset strong growth in India. This was the weak macroeconomic backdrop against which large global corporations sought to become efficient even as they used technology to fend off business model challenges, establish competitive differentiation, show revenue & earnings growth and stay compliant in a shifting regulatory landscape.

Technology is transforming businesses in every industry around the world in a very profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology-enabled services are fuelling the rapid digitization of business processes and information. Traditional business models are being disrupted in every industry with digital and software-based business models. This disruption is characterized by highly desirable user experiences, an extreme scale-of-cost performance that has become available in computing infrastructure and disintermediation of the supply chain.

The rapid pace at which technology is changing and the need for highly-skilled professionals in both the renewed and new technology areas are driving businesses to rely on third parties to realize their IT transformation. These factors have increased the reliance of companies on their service providers and are expected to continue to drive future growth for your Company.

Review of operations:

The Company's expertise in traditional and new age technologies extends across its full services portfolio of Enterprise IT 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.

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. Infrastructure Management Services has emerged as a preferred alternative for companies looking to optimise their IT infrastructure. Cloud Computing, virtualization, unified communication, green data centers are fast reshaping the technology infrastructure landscape and provide a unique opportunity for IT service providers in India to build unique offerings and new business models.

Dynacons undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data centre infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi- location infrastructure of domestic clients. The Company's domain knowledge and technology expertise combined with its delivery capability offers unique advantage to its customers. The Company has built a strong customer base, variety of talent and a competent service delivery infrastructure.

Our system integration offerings include consultancy, project management, business continuity planning, contact centre infrastructure, data centers, disaster recovery services, enterprise management, network integration, platform integration, and security infrastructure. Our certified processes and over two decades of service experience are reflected in the success we have achieved in executing projects. The scope of services includes supply of associated equipment and software; On-Site and Remote Support Services for multi-locations for the IT infrastructures. Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery. Dynacons has an established nationwide support network to provide multi location multi-platform support for organisations.

Your Company has several key certifications like ISO 9001:2008, ISO 20000-1:2011, ISO 27001:2013 and CMMI Dev V1.3 Maturity Level 5. These certifications are testimony of the technical expertise of the Company. The System Integration business continued to grow and the company had some key wins with SIDBI, Bank of India, IDBI Bank, Exim Bank, Reserve Bank of India, Central Bank, Dow Chemicals and Uber. Your Company is also working on several projects with Large System Integrators like Atos, UST Global, Tech Mahindra etc.

Infrastructure Management Services is a key growth engine of our Enterprise Services business. Your Company offers a suite of reliable, responsive, flexible and proven infrastructure services and solutions that deliver differentiated value to our customer's business. 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.

During the last year, your company has won the prestigious contract for IT Infrastructure Management services contract of Rs. 73.01. crores (Rupees Seventy three crores one lakh) from Municipal Corporation of Greater Mumbai for a period of 3 years. The Scope of the Services: Managed Services to Datacenter including...

- Data Centre Management and Monitoring
- Application Monitoring & Management Applications like SAP, Aqua, CVS, Octroi, Citizens' portal, and other applications
- Monitor & manage Network availability at various offices spread across the Mumbai city.
- Implement redundant MPLS Network across all the offices including migration of existing network.
- Managing support to various platforms like AIX, RHEL, Windows, VMware, etc.
- IT Security, Data backup & storage. Database Administration & Management.
- High Availability of Datacenter for 24 Hours, 7 days a week and 365 days.
- Provision of Services to ensure compliance to standard quality systems like ISO 20000-1, 27001
- Centralized Help Desk for all IT related communication, reports, etc.

The Company's relentless focus on delivery excellence and customer satisfaction has won the Company multiple awards and recognitions in the marketplace. Your Company has won awards for work undertaken in the Managed Services, Data Centre, Storage and Security domain. These awards are testimony to the commitment of our team for the hard work and dedication which ensures that we deliver an extraordinary experience to our customer.

Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery. Dynacons has an established nationwide support network to provide multi location multi platform support for organisations. Our ability to align our teams to the customers business goals, together with our extensive domain and technology expertise, has helped us to remain relevant to our customers.

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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 calable global network delivery model.

The key factors contributing to the growth of IT and IT-enabled services in India include high-quality delivery, significant cost benefits and the availability of a large and growing skilled and English-speaking IT professionals. 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

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.

The company has developed competencies in various technologies, platforms and operating environment, and offers a wide range of technology options for its clients to choose from, based on their needs. Using cutting-edge technologies, customers are now increasingly able to create new business models and improve revenue streams.

The product and service portfolio is based on providing end-to-end solutions in the Systems Integration and Managed Services space. Dynacons has a team of specialists with experience in leveraging technology to help improve efficiency. The Company provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms. Your Company's offerings span across areas relevant to each organization. A well-defined and scalable organizational structure based on product, territory and process knowledge, experienced and stable management team, Strong relationships with public, private as well as foreign banks, institutions and investors helps Dynacons achieve its business goals.

Dynacons Systems and Solutions Limited has revamped its information security priorities with an increased emphasis on cyber security, audits of critical functions/ infrastructure and building awareness across the enterprise. In addition, the company plans on certifying all delivery locations and revamping the data breach incident management process to include real-time responses to threats and intrusions, to have a robust and streamlined response plan to promote better response coordination and to shorten incident response time.

Quality

Your Company continues to strive towards process improvement for ensuring high quality delivery and high levels of customer satisfaction. Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market. A strong emphasis is based on quality in every aspect of the company's activities. In line with this philosophy we have designed our quality management program and have defined several key parameters for measurement of quality levels to ensure improvement in the quality of the deliverables.

Your Company continues to strive towards maintaining sustainable growth through the philosophy of business excellence Recognizing that workforce competency is a powerful growth engine, competency mapping and development was completed for the workforce with appropriate interventions through a learning and development plan. 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.

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

Outlook

The Digital technologies of big data, cloud, mobility, analytics, artificial intelligence and robotics are changing the landscape. Companies have to reimagine their business models, products and services in order to stay meaningful to their customers. Business models are being turned on their heads The World's Largest Taxi company Owns NO Vehicles. The World's Largest Accommodation Provider Owns NO real estate

Digital is creating new opportunities for enterprises to drive Efficiency and Simplification across the business. Most brick and mortar businesses were built in a pre-digital era. Therefore, to thrive in the Digital economy, enterprises are on a quest to deliver unique customer experiences, gain real-time access to insights, improve workforce productivity and create a hyper-connected eco-system. The impact of "Digital Technologies" has further intensified in the past twelve months. We are living in a digital age, characterised by an accelerating trend of hyper-connectivity between humans and also between humans and smart devices.

Further, to make sense of voluminous and unstructured data that is increasing exponentially, Smart Enterprises are using Artificial Intelligence technologies for developing machine learning and deep learning capabilities. Software robots are playing a bigger role in our lives - from algorithmic trading and advisory services in financial markets to mapbots which give us daily driving directions. Additionally, cloud-based models are enabling 'anywhere-anytime-any device' access to data, which is creating a significant shift in business models and enterprise IT, architectures.

Looking ahead, as global businesses aspire to become Smart Enterprises by accelerating adoption of digital, your Company is very well positioned in this regard. Our rich customer base, domain expertise and deep understanding of the customer landscape, technology investments combined with our delivery expertise will enable us to take advantage of this huge opportunity.

Opportunities and threats

Opportunities

- (1) Domestic market to get boosted due to Government focus on "Digital India" and "Make in India" and "Smart Cities"
- (2) Increasing penetration of Internet in India with the rapid expansion of broadband spectrum availability is enabling businesses to look at Tier II/Tier III cities not only for addressing newer markets but also for IT companies to look for delivery centres in these places. As a result, IT and network Infrastructures services and associated value added services would therefore be a growth area.
- (3) The adoption of SMAC technologies is expected to drive growth in all the segments. Cloud and client maturity are the major drivers for across the industry verticals.
- (4) E Commerce is driving rapid growth with unprecedented levels of funding. This will bring in opportunities for IT services and associated opportunities for provision of skilling services.
- (5) Opportunities reside in helping existing customers transform their business models through Next-Gen ITO (Next Generation Information Technology Outsourcing), IOT (Internet of things) and Digitalization

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 competition from large international and Indian IT companies is increasing in the domestic market space. Actual results may differ materially from those expressed. Important factors that could influence the Company's operations include change in government regulations, tax laws, increased competition, economic and political developments.

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

Internal control systems and their adequacy

In any industry, the processes and internal control systems play a critical role in the health of the Company. Dynacons Systems and

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

Understanding employee engagement and views on the employment experience periodically in our view is not reflective of the needs of the workforce today. Dynacons Systems and Solutions Limited has an audit committee, the details of which have been provided in the corporate governance report. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggest improvements to strengthen the same. The Company has the robust Management Information System, which is an integral part of the control mechanism. The company uses RAMCO system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices in the group and industry.

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, 2016 .

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. Others

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

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

The Company does not have any Holding/Subsidiary/Joint Ventures/Associate Companies.

7. Directors and Key Managerial Personnel

Mrs. Archana Phadke was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on March 27, 2015. The shareholders in its 20th Annual General Meeting held on 30th September, 2015 passed necessary resolution for her appointment as a Director in the category of Non- Executive, Non-Independent Director.

Mr. Jitesh Jain was appointed as an Additional Director of the Company w.e.f. September 19, 2015 Pursuant to Section 149 of the Companies Act, 2013, the Board recommended the appointment of Mr. Jitesh Jain for a period of 5 Years as an Independent Director of the Company, not liable to retire by rotation from the date of its 21st Annual General Meeting subject to approval of the Members of the Company. The Director has given the declaration to the Board that he met the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that he will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

Mr. Vishal Chapper resigned as a Director of the Company w.e.f. September 19, 2015. Mr. Vishal Chapper was working with a Multinational Company based in Mumbai and he was promoted and got transferred to the United Arab Emirates. As a result, he was not able to justify his role as an Independent Director and he decided to give his resignation from Directorship and from all other committees where he was appointed as Chairman and member. The Board of Directors have placed on record its appreciation of the services rendered by Mr. Chapper and wished him good luck for the future.

On recommendation of Nomination & Remuneration Committee, the Board of Directors in its meeting held on January 28, 2016 has re-appointed Mr. Shirish M. Anjaria as Chairman cum Managing Director, Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria as Whole-time

Directors of the Company w.e.f. February 1, 2016 for a period of three years, subject to approval of Members. Mr. Dharmesh S. 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 appointments.

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

8. Remuneration to Director and Employees

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

9. Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Palan & Co., Chartered Accountants ((ICAI Firm Registration No. 133811W), were appointed as Statutory Auditors of the Company from the conclusion of the 19th Annual General Meeting (AGM) of the Company held on 30th September, 2014 till the conclusion of the 22nd AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. Members are requested to ratify their re-appointment.

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.

10. Corporate Governance

As required under Clause 49 of the Listing Agreement and 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.

11. 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.

12. 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.

13. Relationship Between Directors Inter-Se

The Directors, Mr. Shirish M. Anjaria & Mr. Dharmesh S. Anjaria having father and son relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and clause 49(VIII)(E)(2) of the revised listing agreements. Other than these, none of the Directors are related.

14. 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.

15. 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

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

The human resource (HR) strategy is focused on creating a performance-driven environment in the Company, where innovation is encouraged, performance is recognised and employees are motivated to realise their potential. HR is the core of the Company, influencing change, building culture and capabilities. 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.

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 staf?ng, 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.

The Company continues its focus on retention through employee engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential. Your company has continually adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. In the current global work environment, our company focuses on lowering employee turnover and on retaining the talent and knowledge held by the workforce. New hiring not only entails a high cost but also increases the risk of a newcomer not being able to replace the person who was working in that position before.

17. 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 2015-16. The Company has provided all the assistance and facilities to the Secretarial Auditor for conducting her audit. Report of Secretarial Auditor for the F.Y 2015-16 in Form MR-3 is annexed to this report as Annexure-II.

18. 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, 2016 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit report, does not contain any qualification, reservation or adverse remark from Secretarial Auditor. However, it contains one observation of the Secretarial Auditor, please refer point. 1 of Secretarial Report under observation :

Management reply 1: The Company has inadvertently failed to upload E- Form with Ministry of Corporate Affairs(MCA). However, the Company has taken effective steps to comply with the filing requirements of e-form with MCA as per Companies Act, 2013.

19. Share Capital

The paid up Equity Share Capital of the Company as on 31st March, 2016 was Rs. 5,92,30,800 divided into 59,23,080 Equity shares of Rs.10/- each which is same share capital as at the previous year end.

20. 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.

21. Credit Rating

Your Directors have pleasure to inform that CARE Ratings has assigned CARE BB+ rating to your Company for working capital facilities for a total amount of Rs. 21.05 Crores. CARE has also assigned A4+ rating for the short term bank facilities of the Company up to Rs. 12.95 Crores. CARE had carried out a credit rating assessment of the Company both for short term and long term bank facilities in compliance with BASEL II norms implemented by Reserve Bank of India for all banking facilities. This enables the Company to access banking services at low costs.

22. 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.

23. Directors Responsibility Statement

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

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

24. 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, 2016 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. 424.51 Lakhs (previous year 5.23 Lakhs)

Foreign Exchange Outgo : Rs. 31.39 Lakhs (previous year 29.02 Lakhs)

25. 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.

26. Number of Meetings of the Board

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

27. 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.

28. 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.

29. Internal Financial Control System

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

30. Composition of Audit Committee

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

31. Vigil Mechanism (Whistle Blower Policy):

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report the unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.dynacons.com.

32. Risk Management Policy:

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

33. Corporate Social Responsibility:

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

34. 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.

35. 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.

36. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto have been disclosed in Form No. AOC-2 as Annexure-III.

37. 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 : September 1, 2016
Place : Mumbai

Annexure I

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

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS

| | | |
|----|--|---|
| 1. | CIN | L72200MH1995PLC093130 |
| 2. | Registration Date | 26/09/1995 |
| 3. | Name of the Company | DYNACONS SYSTEMS & SOLUTIONS LIMITED |
| 4. | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY |
| 5. | Address of the Registered office & contact details | 78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (WEST) MUMBAI - 400056 |
| 6. | Whether listed company | YES |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | BIGSHARE SERVICES PRIVATE LIMITED, E-2, ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD, SAKI NAKA, ANDHERI (EAST), MUMBAI-400072 Email Id: rajeshm@bigshareonline.com Tel No.: 022 4043 0365 |
| 8. | E-mail Id | investor@dynacons.com |
| 9. | Telephone number | 022-66889900 |

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Systems Integration | 6202 | 100% |

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

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE |
|---------|---------------------------------|--------------|---------------------------------|
| 1 | _____ | _____NA_____ | _____ |

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

Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % Change during the year |
|--|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/H.U.F. | 1793509 | 0 | 1793509 | 30.28 | 1793509 | 0 | 1793509 | 30.28 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 71475 | 0 | 71475 | 1.21 | 71475 | 0 | 71475 | 1.21 | 0 |
| 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) | 1864984 | 0 | 1864984 | 31.49 | 1864984 | 0 | 1864984 | 31.49 | 0 |
| (2) Foreign | | | | | | | | | |
| a) Individuals (Non-Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total A2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter Group A(1+2) | 1864984 | | 1864984 | 31.49 | 1864984 | | 1864984 | 31.49 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) Bodies Corp. | | | | | | | | | |
| I) Indian | 283923 | 0 | 283923 | 4.79 | 320638 | 0 | 320638 | 5.41 | 0.62 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| I) Individual | | | | | | | | | |

DYNACONS

SYSTEMS & SOLUTIONS LTD.

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % Change during the year |
|--|---|--------------|----------------|-------------------|---|--------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| shareholders holding nominal share capital up to Rs. 1 lakh | 2906696 | 43084 | 2949780 | 49.80 | 2917858 | 42984 | 2960842 | 49.99 | 0.19 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 745364 | 0 | 745364 | 12.58 | 655288 | 0 | 655288 | 11.06 | (1.52) |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indians | 66194 | 0 | 66194 | 1.12 | 111921 | 0 | 111921 | 1.89 | 0.77 |
| 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 | 12835 | 0 | 12835 | 0.22 | 9407 | 0 | 9407 | 0.16 | (0.06) |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Bodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 4015012 | 43084 | 4058096 | 68.51 | 4015112 | 42984 | 4058096 | 68.51 | (0.00) |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | 4015012 | 43084 | 4058096 | 68.51 | 4015112 | 42984 | 4058096 | 68.51 | (0.00) |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 5879996 | 43084 | 5923080 | 100.00 | 5880096 | 42984 | 5923080 | 100.00 | (0.00) |

B) Shareholding of Promoter (including Promoter Group):

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.15 | | | Shareholding at the end of the year 31.03.16 | | | % change in shareholding during the year |
|---------|------------------------------|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | SHIRISH M. ANJARIA | 360948 | 6.0939 | 0 | 360948 | 6.0939 | 0 | 0 |
| 2 | DHARMESH S. ANJARIA | 356220 | 6.0141 | 0 | 356220 | 6.0141 | 0 | 0 |
| 3 | PARAG J. DALAL | 347200 | 5.8618 | 0 | 347200 | 5.8618 | 0 | 0 |
| 4 | NILAM S. ANJARIA | 309602 | 5.2270 | 0 | 309602 | 5.2270 | 0 | 0 |
| 5 | JIGNA D. ANJARIA | 156463 | 2.6416 | 0 | 156463 | 2.6416 | 0 | 0 |
| 6 | DEVANGI PARAG DALAL | 134640 | 2.2731 | 0 | 134640 | 2.2731 | 0 | 0 |
| 7 | HASUMATI DALAL | 64816 | 1.0943 | 0 | 64816 | 1.0943 | 0 | 0 |
| 8 | SHIRISH M. ANJARIA (H.U.F.) | 3543 | 0.0598 | 0 | 3543 | 0.0598 | 0 | 0 |
| 9 | TRIGEM INFOSOLUTIONS LIMITED | 71475 | 1.2067 | 0 | 71475 | 1.2067 | 0 | 0 |
| 10 | PARAG J. DALAL (H.U.F.) | 60077 | 1.0143 | 0 | 60077 | 1.0143 | 0 | 0 |
| | | 1864984 | 31.4866 | 0 | 1864984 | 31.4866 | 0 | 0 |

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

| Sr. No. | Name of Promoter | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|----------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | SHIRISH M. ANJARIA | At the beginning of the year | 360948 | 6.0939 | 360948 | 6.0939 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 360948 | 6.0939 | 360948 | 6.0939 |
| 2 | DHARMESH S. ANJARIA | At the beginning of the year | 356220 | 6.0141 | 356220 | 6.0141 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 356220 | 6.0141 | 356220 | 6.0141 |
| 3 | PARAG J. DALAL | At the beginning of the year | 347200 | 5.8618 | 347200 | 5.8618 |
| | | Increase /Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 347200 | 5.8618 | 347200 | 5.8618 |
| 4 | NILAM SHIRISH ANJARIA | At the beginning of the year | 309602 | 5.2270 | 309602 | 5.2270 |
| | | Increase | 0 | 0 | 0 | 0 |
| | | At the end of the year | 309602 | 5.2270 | 309602 | 5.2270 |
| 5 | JIGNA D. ANJARIA | At the beginning of the year | 156463 | 2.6416 | 156463 | 2.6416 |
| | | Increase | 0 | 0 | 0 | 0 |
| | | At the end of the year | 156463 | 2.6416 | 156463 | 2.6416 |
| 6 | DEVANGI PARAG DALAL | At the beginning of the year | 134640 | 2.2731 | 134640 | 2.2731 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 134640 | 2.2731 | 134640 | 2.2731 |
| 7 | HASUMATI DALAL | At the beginning of the year | 64816 | 1.0943 | 64816 | 1.0943 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 64816 | 1.0943 | 64816 | 1.0943 |
| 8 | SHIRISH M. ANJARIA (H.U.F) | At the beginning of the year | 3543 | 0.0598 | 3543 | 0.0598 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 3543 | 0.0598 | 3543 | 0.0598 |
| 9 | TRIGEM INFOSOLUTIONS LTD. | At the beginning of the year | 71475 | 1.2067 | 71475 | 1.2067 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 71475 | 1.2067 | 71475 | 1.2067 |
| 10 | PARAG J. DALAL (H.U.F) | At the beginning of the year | 60077 | 1.0143 | 60077 | 1.0143 |
| | | Increase/Decrease | 0 | 0 | 0 | 0 |
| | | At the end of the year | 60077 | 1.0143 | 60077 | 1.0143 |

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 1.4.2015 | | Change in share-Holding during the year | | Shareholding at the end of the year as on 31.3.2016 | |
|---------|---|--|----------------------------------|---|----------------------------------|---|----------------------------------|
| | | 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 | 75000 | 1.27 | 745 | 0.01 | 75745 | 1.28 |
| 2 | JAGANNATH D DEVADIGA | 61933 | 1.05 | 0 | 0 | 61933 | 1.05 |
| 3 | VISHAL GIRISHCHANDRA CHAPPER | 49349 | 0.83 | 0 | 0 | 49349 | 0.83 |
| 4 | PADAMABEN RAMESHCHANDRA JOSHI | 59166 | 1.00 | (14067) | 0.24 | 45099 | 0.76 |
| 5 | MASTERMIND FINANCIAL SERVICES PVT. LTD. | 40000 | 0.68 | 0 | 0 | 40000 | 0.68 |
| 6 | KISHORE PRATAPSIKH KAJARIA | 38714 | 0.65 | 0 | 0 | 38714 | 0.65 |
| 7 | L.S.E. SECURITIES LTD | 32788 | 0.55 | 5246 | 0.09 | 38034 | 0.64 |
| 8 | RAJSHREE KISHORE KAJARIA | 37067 | 0.63 | 0 | 0 | 37067 | 0.63 |
| 9 | FAISAL IQBAL | 89989 | 1.52 | (60809) | 1.03 | 29180 | 0.49 |
| 10 | VISHAL RAMESHCHANDRA JOSHI | 64329 | 1.09 | (64270) | 1.09 | 59 | 0.00 |

*Note: The above details are given as on 31st March, 2016. The Company is listed and 99.27% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sr. No. | Name of Shareholder | Shareholding at the beginning of the year as on 1.4.2015 | | Change in share-Holding during the year | | Shareholding at the end of the year as on 31.3.2016 | |
|---------|--|--|----------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Mr. Shirish M. Anjaria (Chairman cum Managing Director) | 360948 | 6.09 | 0 | 0 | 360948 | 6.09 |
| 2 | Mr. Dharmesh S. Anjaria (Whole-time Director) | 356220 | 6.01 | 0 | 0 | 356220 | 6.01 |
| 3 | Mr. Parag J. Dalal (Whole-time Director) | 347200 | 5.86 | 0 | 0 | 347200 | 5.86 |
| 4 | Mr. Dilip Palicha (Independent Director) | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Mr. Viren Shah (Independent Director) | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | *Mr. Vishal Chapper (Independent Director) | 49349 | 0.83 | 0 | 0 | 49349 | 0.83 |
| 7 | Mrs. Archana Phadke (Independent Director) | 80 | 0 | 0 | 0 | 80 | 0 |
| 8 | Mr. Ravi Singh (Company Secretary) | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Mr. Jitesh Jain (Independent Director) | 0 | 0 | 0 | 0 | 0 | 0 |

*Mr. Vishal Chapper resigned from the post of Directorship of the Company w.e.f. September 19, 2015.

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 | 1276.82 | 0 | 0 | 1276.82 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 1276.82 | 0 | 0 | 1276.82 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 816.68 | 0 | 0 | 816.68 |
| * Reduction | 21.28 | 0 | 0 | 21.28 |
| Net Change | 795.40 | 0 | 0 | 795.40 |
| Indebtedness at the end of the financial year | | | | |
| I) Principal Amount | 2072.22 | 0 | 0 | 2072.22 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 2072.22 | 0 | 0 | 2072.22 |

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Particulars of Remuneration | Name | | | Total Amount |
|----------|---|------------------------|--------------------|-------------------------|--------------|
| | | Mr. Shirish M. Anjaria | Mr. Parag J. Dalal | Mr. Dharmesh S. Anjaria | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 873100 | 720000 | 720000 | 2313100 |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | 166900 | 60000 | 60000 | 1366900 |
| | (c) Profits in lieu of salary under section 17(3) of 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 | 0 | 0 | 0 | 0 |
| | - others, specify... | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total (A) | 1040000 | 1320000 | 1320000 | 3680000 |
| | Ceiling as per the Act | 1800000 | 3000000 | 3000000 | |

B. REMUNERATION TO OTHER DIRECTORS- Sitting fees.

The details of sitting fees/remuneration paid to the Directors during the year 2015-2016 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 | 10000 | 0 | 0 | 10000 |
| 2 | Mr. Dilip Palicha | 10000 | 0 | 0 | 10000 |
| 3 | Mr. Viren Shah | 10000 | 0 | 0 | 10000 |
| 4 | Mrs. Archana Phadke | 10000 | 0 | 0 | 10000 |

During the year 2015-2016, the Company paid sitting fees of Rs. 40,000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

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

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|----------|---|--------------------------|----------------|------|----------|
| | | CEO* | Mr. Ravi Singh | CFO# | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 90,240 | 0 | 90,240 |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | 0 | 24,000 | 0 | 24,000 |
| | (c) Profits in lieu of salary under section 17(3) of 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 | 0 | 0 | 0 | 0 |
| | - others, specify... | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total | 0 | 1,14,240 | 0 | 1,14,240 |

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

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

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure II to the Directors' Reports

Form No. MR-3

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation pertaining to compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and based on the management representation, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder and the Companies Act, 1956 to the extent applicable except for the matter listed below;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (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 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 Listing Agreements and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited (From December 01, 2015 to March 31, 2016);
- (vi) As informed by the Company, no industry specific Acts, Rules are applicable to the Company.

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

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

1. Non Compliance to the extent of non-filing of the e-Form MGT-14 for the Amendment of Articles of Association of the Company. However, I have advised the management of the Company to take active steps to comply with the required norms of the said provisions of the Act.

I further report that:

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

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

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

As informed, the Company has reasonably responded to notices for demands, claims, penalties etc. levied by various statutory regulatory authorities and initiated actions for corrective measures, wherever necessary. There was no prosecution initiated and no fines (except for the additional fee paid by the Company for delay in filing of the necessary e-Forms with the Ministry of Corporate Affairs).

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

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

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

Date : September 1, 2016
Place : Mumbai

Annexure A

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

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

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

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

Date : September 1, 2016
Place : Mumbai

Annexure III to the Directors' Reports

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.
There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.
2. Details of contracts or arrangements or transactions at Arm's length basis.
The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

| Name of related party | Nature of relationship | Duration of contract | Salient terms (1) | Amount (In lakh) |
|-----------------------|--|----------------------|-------------------|------------------|
| M/s S.P. Corporation | Firm in which Whole - time directors have substantial interest | 5 Years | As per Agreement | Nil |

ANNEXURE IV to the Directors' Reports**PARTICULARS OF REMUNERATION**

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

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

| Executive Directors | Ratio to Median Remuneration |
|---------------------|------------------------------|
| Shirish Anjaria | 18.61 |
| Parag Dalal | 23.62 |
| Dharmesh Anjaria | 23.62 |

(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 | 44% |
| Parag Dalal | 10% |
| Dharmesh Anjaria | 10% |

(c) **The percentage increase in the median remuneration of employees in the financial year : (13%)**

Note : Percentage in bracket represents negative percentage.

(d) **The number of permanent employees on the rolls of company: 774**

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

On an average, employees received an increase of 20%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

(f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

| Particulars | ₹ in Lac |
|---|----------|
| Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (aggregated) | 36.80 |
| Revenue from operations | 12418.19 |
| Remuneration (as % of revenue) | 0.30% |
| Profit before tax (PBT) | 131.39 |
| Remuneration (as % of PBT) | 28% |

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

| Particulars | Unit | As at 31 st March, 2016 | As at 31 st March, 2015 | Variation % |
|------------------------------|---------|------------------------------------|------------------------------------|-------------|
| Closing rate of share at BSE | ₹ | 13.50 | 8.80 | 53.41 |
| Closing rate of share at NSE | ₹ | 14.25 | 8.90 | 60.11 |
| EPS(consolidated) | ₹ | 1.54 | 1.16 | 32.72 |
| Market capitalization | ₹/Lakhs | | | |
| BSE | | 799.62 | 521.23 | 53.41 |
| NSE | | 844.04 | 527.15 | 60.11 |
| Price Earnings Ratio | Ratio | | | |
| BSE | | 8.77 | 7.58 | 15.68 |
| NSE | | 9.26 | 7.67 | 20.68 |

(h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2015-16 was 20%. Percentage increase in the managerial remuneration for the year was 21%

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

| Particulars | Chief Executive Officer | Chief Financial Officer | Company Secretary |
|--------------------------------|-------------------------|-------------------------|-------------------|
| | ₹/lac | ₹/lac | ₹/lac |
| Remuneration | 10.40 | 13.20 | 1.14 |
| Revenue from operations | 12,418.19 | 12,418.19 | 12,418.19 |
| Remuneration (as % of revenue) | 0.084% | 0.11% | 0.009% |
| Profit before tax (PBT) | 131.39 | 131.39 | 131.39 |
| Remuneration (as % of PBT) | 8% | 10% | 0.87% |

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

No Variable Component in the Remuneration availed by Directors

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

Not applicable.

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

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

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

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director
Din no. : 00444104

Parag Dalal
Executive Director
Din no. : 00409894

Date : September 1, 2016

Place: Mumbai

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance is aimed at achieving fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society. It firmly believes and has consistently endeavored to practice good Corporate Governance.

Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. Dynacons aims to achieve professionalism in all decisions and activities of the Company.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and 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.

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.

2. BOARD OF DIRECTORS

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

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

Composition and category

The present strength of Board of Directors is **SEVEN** Directors comprising of an Executive Chairman cum Managing Director, two Whole time Directors and Four Non-Executive Directors. All the Four Non- Executive Directors are Independent Directors. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company.

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

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

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

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

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

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

| Name of Director | Category of Directorship | Attendance at last AGM | No. of Board Meeting Attended | No. of other Directorships | No. of Membership/ Chairmanship of Other Committee# |
|-------------------------|--------------------------------------|------------------------|-------------------------------|----------------------------|---|
| Mr. Shirish M. Anjaria | Chairman cum Managing Director | Yes | 12 | 1 | 0 |
| Mr. Parag J. Dalal | Executive & Whole-time Director | Yes | 12 | 0 | 0 |
| Mr. Dharmesh S. Anjaria | Executive & Whole-time Director | Yes | 11 | 0 | 0 |
| Mr. Dilip P. Palicha | Non-Executive & Independent Director | Yes | 8 | 0 | 0 |
| Mr. Viren C. Shah | Non-Executive & Independent Director | Yes | 9 | 2 | 0 |
| *Mr. Vishal G. Chapper | Non-Executive & Independent Director | No | 3 | 0 | 0 |
| #Mr. Jitesh J. Jain | Non-Executive & Independent Director | Yes | 5 | 5 | 1 |
| Mrs. Archana Phadke | Non-Executive & Independent Director | No | 9 | 0 | 0 |

Mr. Jitesh Jain was appointed as Independent Director of the Company w.e.f. September 19, 2015.

* Mr. Vishal Chapper resigned from the post of Directorship of the Company w.e.f. September 19, 2015.

The Number of Directorships and the positions held on Board, Committees by the Directors are in conformity with the limits on the number of Directorships and Board committee positions as laid down in the Act and the Listing Agreement. During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Twelve Board Meetings were held during the year 2015-2016. The Board Meetings are held at the Registered Office of the Company.

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

April 30, 2015, May 09, 2015, May 30, 2015, August 14, 2015, August 24, 2015, August 31, 2015, September 19, 2015, November 09, 2015, January 08, 2016, January 30, 2016, February 12, 2016 and March 29, 2016.

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. Viren Shah | Non-Executive & Independent Director | 7 |
| *Mr. Vishal Chapper | Non-Executive & Independent Director | 2 |
| Mr. Dilip Palicha | Non-Executive & Independent Director | 8 |
| #Mr. Jitesh Jain | Non-Executive & Independent Director | 4 |

*During the year, Mr. Vishal Chapper, Chairman of Committee resigned as Director from the Company w.e.f. September 19, 2015 and simultaneously from the post of Chairman of Audit Committee.

#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 &

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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 **Ten** times during the financial year 2015-2016 on the following dates: May 08, 2015, May 30, 2015, August 14, 2015, August 24, 2015, August 31, 2015, September 19, 2015, November 09, 2015, January 08, 2016, January 28, 2016 and February 12, 2016.

The terms of reference of the Audit Committee includes:-

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

4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference

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

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

The Nomination and Remuneration committee consists of Non-Executive Directors with the Chairman being an Independent Director. The members of Committee were Mr. Dilip Palicha, Mr. Viren Shah, Mr. Vishal Chapper and Mr. Jitesh Jain. During the year Mr. Vishal Chapper resigned as a Director and in his place, Mr. Jitesh Jain was included as member of the Committee. The Committee is chaired by Mr. Viren Shah. The Nomination and Remuneration committee met twice during the year. Company Secretary of the Company acted as the Secretary to the Committee.

Remuneration Policy

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

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

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

| Name of The Director | Category | No. of Meetings attended |
|----------------------|--------------------------------------|--------------------------|
| *Mr. Vishal Chapper | Non-Executive & Independent Director | 0 |
| Mr. Viren Shah | Non-Executive & Independent Director | 2 |
| Mr. Dilip Palicha | Non-Executive & Independent Director | 2 |
| *Mr. Jitesh Jain | Non-Executive & Independent Director | 2 |

* Note: During the year, Mr. Vishal Chapper resigned w.e.f. September 19, 2015 as a Director and in his place Mr. Jitesh Jain was inducted as Director & member of the Committee w.e.f. September 19, 2015.

Details of Remuneration to the Executive Directors for the year ended March 31, 2016

| Name of Director | Salary (in ₹) |
|---|---------------|
| Mr. Shirish Anjaria, Chairman cum Managing Director | ₹ 10,40,000/- |
| Mr. Parag Dalal, Whole Time Director | ₹ 13,20,000/- |
| Mr. Dharmesh S. Anjaria, Whole Time Director | ₹ 13,20,000/- |

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

5. STAKEHOLDERS RELATIONSHIP & GRIEVANCE COMMITTEE

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

Functions

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

| Name of The Director | Category | No. of Meetings attended |
|----------------------|--------------------------------------|--------------------------|
| *Mr. Vishal Chapper | Non-Executive & Independent Director | 1 |
| Mr. Viren Shah | Non-Executive & Independent Director | 3 |
| Mr. Dilip Palicha | Non-Executive & Independent Director | 4 |
| *Mr. Jitesh Jain | Non-Executive & Independent Director | 2 |

* Note: During the year, Mr. Vishal Chapper resigned w.e.f. September 19, 2015 as a Director and in his place Mr. Jitesh Jain was inducted as Director & member of the Committee w.e.f. September 19, 2015.

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

During the year under review, 4 complaints were received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints outstanding as on March 31, 2016 were Nil. The numbers of pending share transfers as on March 31, 2016 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. 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, Mr. Vishal Chapper and Mr. Jitesh Jain. During the year Mr. Vishal Chapper resigned w.e.f. September 19, 2015 as a Director and in his place Mr. Jitesh Jain was inducted as a Director and member of the Committee. The Committee is chaired by Mr. Viren Shah. The Risk Management committee met once during the year.

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

- Overview of risk management process performed by the executive management;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

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

7. INDEPENDENT DIRECTORS' MEETING

During the year under review, as required under Schedule IV to the Companies Act, 2013 and the provisions of Clause 49, the Independent Directors met on January 28, 2016, inter alia, to discuss:

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

8. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

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

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

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

9. POLICY FOR REMUNERATION OF NON - EXECUTIVE DIRECTORS

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

- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies

Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Sitting Fees

During the year 2015-2016, the Company paid sitting fees of Rs. 40,000/- to its Non-Executive Directors for attending meetings of the Board and Meeting of Committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The details of sitting fees paid to the Directors during the year 2015-2016 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 | 10000 | 0 | 0 | 10000 |
| 2 | Mr. Dilip Palicha | 10000 | 0 | 0 | 10000 |
| 3 | Mr. Viren Shah | 10000 | 0 | 0 | 10000 |
| 4 | Mrs. Archana Phadke | 10000 | 0 | 0 | 10000 |

10. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees, after taking into consideration various things like inputs received from the Directors, functions of Board's such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Criteria for Performance Evaluation of Independent Directors includes:

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

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

11. REPORT ON CORPORATE GOVERNANCE

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

12. GENERAL BODY MEETINGS

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

- **20th AGM** : September 30, 2015 at 2.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.
Number of Special Resolutions passed: 2
Details of Special Resolution are as follows:
1) Adoption of New Set of Articles of Association of the Company
2) Appointment of Mrs. Archana Phadke as an Independent Director
Special resolution passed or proposed to be passed by Postal Ballot : 0
- **19th AGM** : September 30, 2014 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.
Number of Special Resolutions passed: Nil
Special resolution passed or proposed to be passed by Postal Ballot : 0
- **18th AGM** : September 30, 2013 at 03.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.
Number of Special Resolutions passed: 3
Details of Special Resolution are as follows:
1) Appointment of Shirish Anjaria as Chairman cum Managing Director.
2) Appointment of Parag Dalal as a Whole Time Director.
3) Appointment of Dharmesh Anjaria as a Whole Time Director.
Special resolution passed or proposed to be passed by Postal Ballot : 0

13. CODE OF CONDUCT

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

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

Pursuant to Section 177 of the Companies Act, 2013 and under Regulation 22 of SEBI Listing Regulations, the Company has adopted Vigil Mechanism (Whistle Blower Policy) for the Directors and employees of the Company to deal with instances of fraud and mismanagement, if any and to ensure that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

15. DISCLOSURES

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

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

c) Board Disclosures - Risk Management

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

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

The Company did not have any corporate actions during the year under review.

e) Management Discussion and Analysis Report

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

f) Details of non-compliance by the Company, penalties, 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: None

g) A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit, the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

h) The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically as per guidelines of SEBI / Stock Exchange.

i) The Company has established a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

j) Shareholders:

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

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

(iii) Mr. Jitesh Jain has been appointed as Additional Director and being eligible, he has given the consent to continue as Director of the Company. He is being regularized in the ensuing Annual General Meeting of the Company. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM to be held on 30th September, 2016. His brief profile is published in the Annual Report.

16. CEO & CFO Certification

The Managing Director & CEO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Clause 41 and 49 II(E)(2) of the Listing Agreement and SEBI Listing Regulations, 2015.

17. COMPLIANCE ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 and Regulations 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published in the Annual Report.

18. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are widely published in Leading newspapers and local language newspapers. After adoptions by the Board

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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.

19. GENERAL SHAREHOLDER INFORMATION

19.1 Annual General Meeting:-

| | |
|----------------|--|
| -Date and Time | September 30, 2016 at 4.30 P.M |
| -Venue | Hotel Planet Residency, 12, Subhash Road, Adjacent to Garware House, Vile Parle (E), Mumbai- 400057. |

19.2 Financial Calendar: - (Tentative)

April'16 - March'17

Financial Reporting for quarter ending: -

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

19.3 Book Closure Date

September 24, 2016 to September 30, 2016. (Both days inclusive)

19.4 Dividend Payment Date

N.A.

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

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

(d) Annual listing fees for the year 2016-2017 have been duly paid to all the above Stock Exchanges.

19.6 Stock Market Data

| Month | Bombay Stock Exchange (BSE) (in ₹) | | National Stock Exchange (NSE) (in ₹) | |
|------------|---------------------------------------|-------------------|---|-------------------|
| | Month's high price | Month's low price | Month's high price | Month's low price |
| April 2015 | 12.45 | 7.51 | 14.90 | 7.00 |
| May 2015 | 9.60 | 6.79 | 8.35 | 6.80 |
| June 2015 | 9.29 | 6.28 | 8.45 | 6.55 |
| July 2015 | 10.75 | 7.83 | 8.80 | 7.05 |
| Aug 2015 | 15.15 | 10.22 | 10.50 | 8.10 |
| Sep 2015 | 13.80 | 7.61 | 10.45 | 8.00 |
| Oct 2015 | 13.40 | 9.64 | 13.20 | 9.50 |
| Nov 2015 | 10.68 | 9.36 | 10.75 | 9.50 |
| Dec 2015 | 14.64 | 9.51 | 14.50 | 9.50 |
| Jan 2016 | 19.55 | 13.55 | 19.95 | 13.25 |
| Feb 2016 | 18.50 | 12.20 | 18.10 | 12.60 |
| Mar 2016 | 14.54 | 12.00 | 14.25 | 12.10 |

19.7 Registrar and transfer Agents:

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

19.8 Share Transfer System

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

19.9 Distribution of Shareholding as on March 31, 2016

| No. of Equity Shares | No. of Folios | % of Total | Total Holding in ₹ | % of Total |
|----------------------|---------------|------------|--------------------|------------|
| 1-5000 | 12641 | 91.2773 | 13423900 | 22.6637 |
| 5001-10000 | 664 | 4.7946 | 5092160 | 8.5971 |
| 10001-20000 | 270 | 1.9496 | 4048680 | 6.8354 |
| 20001-30000 | 87 | 0.6282 | 2149100 | 3.6283 |
| 30001-40000 | 61 | 0.4405 | 2214470 | 3.7387 |
| 40001-50000 | 28 | 0.2022 | 1284790 | 2.1691 |
| 50001-100000 | 48 | 0.3466 | 3440930 | 5.8094 |
| 100001-9999999999 | 50 | 0.3610 | 27576770 | 46.5583 |
| Total | 13849 | 100 | 59230800 | 100 |

19.10 Shareholding of Directors

| Sr.No. | Name of Directors | No. of Shares | Percentage (%) |
|--------|----------------------|---------------|----------------|
| 1. | Mr. Shirish Anjaria | 360948 | 6.09 |
| 2. | Mr. Dharmesh Anjaria | 356220 | 6.01 |
| 3. | Mr. Parag Dalal | 347200 | 5.86 |
| 4. | Mr. Dilip Palicha | Nil | Nil |
| 5. | Mr. Viren Shah | Nil | Nil |
| 6. | *Mr. Vishal Chapper | 49349 | 0.83 |
| 7. | Mrs. Archana Phadke | 80 | 0.00 |
| 8. | Mr. Jitesh Jain | Nil | Nil |

* Note: During the year, Mr. Vishal Chapper resigned w.e.f. September 19, 2015 as a Director and in his place Mr. Jitesh Jain was inducted as Director & member of the Committee w.e.f. September 19, 2015.

19.11 Dematerialization of Shares as on March 31, 2016

| Total No. of shares | Shares in physical form | Percentage % | Shares in demat form | Percentage % |
|---------------------|-------------------------|--------------|----------------------|--------------|
| 59,23,080 | 42,984 | 0.73 | 58,80,096 | 99.27 |

19.12 Shareholding Pattern as on March 31, 2016

| Category | No of Shares held | Percentage of Shareholding |
|-------------------------------------|-------------------|----------------------------|
| Clearing Member | 9407 | 0.1588% |
| Corporate Bodies | 320638 | 5.4134% |
| Corporate Bodies (Promoter Company) | 71475 | 1.2067% |
| Non Resident Indians | 111921 | 1.8896% |
| Promoters/Directors | 1127988 | 19.0439% |
| Public | 3616130 | 61.0515% |
| Relative of Director | 665521 | 11.2361% |
| Total | 5923080 | 100.00% |

- 19.13 Capital of the Company** : The authorized and paid-up capital of your Company is Rs. 300,000,000 and 59,230,800 respectively.
- 19.14 Outstanding GDRs / ADRs** : **N.A.**
- 19.15 Compliance Officer** : **Mr. Ravishankar Singh**
- 19.16 Address for Investor Correspondence** : **Bigshare Services Pvt. Ltd.**
SEBI Regn. No. INR 00001385
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai- 400 072
Tel: 28470652/3
Fax: 28475207
- Dynacons Systems & Solutions Ltd.**
CIN: L72200MH1995PLC093130
78, Ratnajyot Ind. Estate,
Irla Lane, Vile Parle (west),
Mumbai - 400 056
Email: investor@dynacons.com
Cont No. 022-66889900

19.17 Corporate Ethics:

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

The Board of Directors
 Dynacons Systems & Solutions Ltd.
 Mumbai

We, the 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 are become 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
Date : April 26, 2016

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of the conditions of Corporate Governance by Dynacons Systems & Solutions Limited for the year ended 31st March, 2016 as stipulated in Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.

- Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the

period September 2, 2015 to March 31, 2016 and

- Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

2. 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.

3. 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.

4. 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 in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D 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, 2016.

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

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

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Date : April 26, 2016

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, 2016.

For **Dynacons Systems & Solutions Ltd.**

Shirish M. Anjaria
Chairman cum Managing Director
DIN: 00444104

Place : Mumbai
Date : April 26, 2016

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

We have audited the accompanying standalone financial statements of **DYNACONS SYSTEMS & SOLUTIONS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, 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 and the Order under Section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b. in our opinion proper books of account relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purposes of preparation of the standalone financial statements.
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act as applicable;
- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report express and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2015 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its standalone financial position in its financial statement.
 - ii. The Company has long term contracts as at March 31, 2016 for which there are no material foreseeable losses. The Company does not have any derivative contracts as at March 31, 2016.
 - iii. There was no amount required to be transferred to the investors Education and protection fund by the Company during the year ended March 31, 2016.

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

Chandras K. Palan
Proprietor
Membership No. 100741

Place : Mumbai
Date : April 26, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**DYNACONS SYSTEMS & SOLUTIONS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016**

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Fixed Assets have been physically verified by the Management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The Company does not own any immovable properties, hence the clause 1 (c) of the Order are not applicable to the Company and hence not commented upon.
2. (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act.
4. The Company has not granted any loans or made investments or given loans or guarantees or security to the parties covered under Section 185 & 186 of the Companies Act, 2013.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
 - (b) Details of dues of Income Tax, and Value Added Tax which have not been deposited as at March 31, 2016 on account of dispute are given below

| Particulars | Period to which the amount relates | Forum where the dispute is pending | Amount (₹ lakhs) |
|-----------------|------------------------------------|--|-------------------|
| Income Tax | AY 2012-13 | Deputy Commissioner of Income Appeals | 6.11 |
| Value Added Tax | FY 2006-07 | Deputy Commissioner of Sales Tax Appeals | 1.00 |
| Value Added Tax | FY 2008-09 | Deputy Commissioner of Sales Tax Appeals | 11.14 |

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

DYNACONS

SYSTEMS & SOLUTIONS LTD.

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

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

Chandras K. Palan
Proprietor
Membership No. 100741

Place : Mumbai
Date : April 26, 2016

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

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

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

We have audited the internal financial controls over financial reporting of **DYNACONS SYSTEMS & SOLUTIONS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Chandahas K. Palan
Proprietor
Membership No. 100741

Place : Mumbai
Date : April 26, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**SIGNIFICANT ACCOUNTING POLICIES****Company Overview**

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

SIGNIFICANT ACCOUNTING POLICIES :**1. Basis of accounting**

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

2. Use of Estimates

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

3. Revenue Recognition

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

4. Expenditure Recognition

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

5. Other Income

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

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

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

7. Cash flow statement

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

8. Fixed Assets & Intangible Assets

Fixed Assets are stated at their cost less accumulated depreciation. Fixed assets are capitalised at the cost of acquisition including all expenses directly attributable to bringing the asset to its working condition for intended use. Capital Work-in-Progress comprises the costs of fixed assets that are not ready for the intended use at the Balance Sheet date and includes advances paid to acquire fixed

assets. No depreciation has been calculated on the same. Fixed Assets which are not in active use and scrapped, due to technological obsolescence or otherwise, are written off. Intangible Assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

9. Research & Development Expenditure

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

10. Depreciation

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

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

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

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

11. Inventories

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

12. Investments

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

13. Foreign Currency transactions

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

14. Retirement Benefits to employees

i. Post-employment benefit plans

Defined contribution plan

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

Defined Benefit plan

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the profit & loss account for the period in which they occur. Past service cost is recognized to the extent the benefits are already vested, and otherwise is amortized on a Straight-Line method over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

ii. Short-term employee benefits

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

15. Income Tax

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

16. Borrowing Costs

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

17. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the note 25.1. Contingent assets are not recognised in the financial statements.

18. Service tax input credit

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

19. Operating Cycle

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

20. Impairment

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

21. Leases**Operating Lease**

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

Finance Lease

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principle component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

22. Earnings per share

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

Balance Sheet as at 31 March, 2016

(₹ in Lakhs)

| Particulars | Note No. | As at 31 March, 2016 | As at 31 March, 2015 |
|--|----------|-------------------------|-------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share Capital | 1 | 592.31 | 592.31 |
| (b) Reserves and Surplus | 2 | 1,094.55 | 1,003.36 |
| | | <u>1,686.86</u> | <u>1,595.67</u> |
| 2 Non-current liabilities | | | |
| (a) Long-Term Borrowings | 3 | 63.15 | 15.24 |
| (b) Deferred Tax Liabilities (Net) | 4 | 48.47 | 52.28 |
| (c) Other Long Term Liabilities | 5 | 22.85 | 19.14 |
| (d) Long-Term Provisions | 6 | 38.32 | 22.91 |
| Total non-current liabilities | | <u>172.79</u> | <u>109.57</u> |
| 3 Current liabilities | | | |
| (a) Short-Term Borrowings | 7 | 2,009.07 | 1,261.58 |
| (b) Trade Payables (includes dues of micro and small enterprises ₹ Nil (March 31, 2015: ₹ Nil) | 8 | 758.79 | 192.58 |
| (c) Other Current Liabilities | 9 | 341.75 | 207.04 |
| | | <u>3,109.61</u> | <u>1,661.20</u> |
| TOTAL | | <u>4,969.26</u> | <u>3,366.44</u> |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10 | 346.15 | 302.26 |
| (b) Non-Current Investments | 11 | 1.11 | 1.11 |
| (c) Long-Term Loans And Advances | 12 | 286.12 | 138.92 |
| | | <u>633.39</u> | <u>442.30</u> |
| 2 Current assets | | | |
| (a) Inventories | 13 | 662.06 | 744.35 |
| (b) Trade receivables | 14 | 3,035.29 | 1,551.54 |
| (c) Cash and Bank Balances | 15 | 625.49 | 610.32 |
| (d) Short-term loans and advances | 16 | 13.04 | 17.93 |
| | | <u>4,335.87</u> | <u>2,924.14</u> |
| TOTAL | | <u>4,969.26</u> | <u>3,366.44</u> |

Notes on Financial Statements

1-24

As per our report of even date attached

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

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : April 26, 2016

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Standalone of Profit and Loss for the year ended 31 March, 2016

(₹ in Lakhs)

| Particulars | Note No. | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|--|----------|--------------------------------------|--------------------------------------|
| 1 INCOME | | | |
| (a) Revenue from Operations | 17 | 12,418.19 | 10,492.21 |
| (b) Other Income | 18 | 52.10 | 43.10 |
| 2 Total Revenue | | <u>12,470.30</u> | <u>10,535.31</u> |
| 3 EXPENSES | | | |
| (a) Purchases of Stock-In-Trade | 19 | 10,923.64 | 9,592.82 |
| (b) Changes In Inventories of Stock-In-Trade | 20 | 82.29 | (198.93) |
| (c) Employee Benefits Expense | 21 | 714.59 | 454.07 |
| (d) Finance Costs | 22 | 252.06 | 193.86 |
| (e) Depreciation And Amortisation Expense | | 62.24 | 121.21 |
| (f) Other Expenses | 23 | 304.09 | 269.11 |
| 4 Total Expenses | | <u>12,338.91</u> | <u>10,432.14</u> |
| 5 Profit Before Tax | | 131.39 | 103.17 |
| 6 Tax Expense: | | | |
| (a) Current Tax | | 44.00 | 39.95 |
| (b) Deferred Tax | | (3.81) | (5.55) |
| | | <u>40.19</u> | <u>34.40</u> |
| 7 Profit for the year | | <u>91.19</u> | <u>68.76</u> |
| 8 Earnings per Equity Shares (of face value of ₹ 10 each) | | | |
| Basic And Diluted (In ₹) | | 1.54 | 1.16 |
| Notes on Financial Statements | 1-24 | | |

As per our report of even date attached

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

C. K. Palan
Proprietor
Membership No: 100741

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Place : Mumbai
Date : April 26, 2016

Cash Flow Statement for the Year Ended 31 March, 2016

(₹ in Lakhs)

| Particulars | Note No. | For the period ended 31 March, 2016 | For the period ended 31 March, 2015 |
|---|----------|--|--|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net profit before Tax and extraordinary items | | 131.39 | 103.17 |
| Add: Depreciation | | 62.24 | 121.21 |
| (Profit)/Loss on sale of Fixed Assets | | 0.00 | (0.31) |
| Finance Costs | | 252.06 | 193.86 |
| Dividend received | | - | - |
| | | 314.30 | 314.76 |
| Operating profit before working Capital | | 445.69 | 417.93 |
| Changes in current assets and liabilities | | | |
| Adjustments for (increase) / decrease in operating assets: | | | |
| (Increase)/Decrease in Inventories | | 82.29 | (198.93) |
| (Increase)/Decrease in Trade & Other Receivable | | (1,568.94) | 246.23 |
| Adjustments for increase / (decrease) in operating liabilities: | | 676.03 | (45.66) |
| Increase/(Decrease) in Current Liabilities & Provision | | (810.61) | 1.64 |
| | | (364.93) | 419.57 |
| Cash Generated from Operations | | (364.93) | 419.57 |
| Taxes paid | | (57.12) | (100.11) |
| | | (422.04) | 319.46 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | | (106.14) | (81.24) |
| Sale of Fixed Assets | | 0.00 | 4.48 |
| Investments | | 0.00 | 150.00 |
| | | (106.14) | 73.24 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of long-term borrowings | | 47.90 | (2.44) |
| Short-term borrowings (net) | | 747.50 | 5.91 |
| Interest Paid | | (252.06) | (193.86) |
| | | 543.35 | (190.39) |
| Net cash From Financing Activities | | 543.35 | (190.39) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | | 15.17 | 202.31 |
| Cash and Cash Equivalents (Opening Balance) | | 610.32 | 408.01 |
| Cash and Cash Equivalents (Closing Balance) | | 625.49 | 610.32 |
| | | 15.17 | 202.31 |

Notes

- Components of cash and cash equivalents include bank balances in current account as disclosed under Note 15 of the accounts.
- Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) "Cash Flow Statement" by The Institute of Chartered Accountants of India.
- Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our report of even date attached

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

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : April 26, 2016

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|--------------------------|--------------------------|
| 1 SHARE CAPITAL | | |
| (a) Authorised Share Capital 30,000,000 Equity shares of ₹ 10 each (Previous Year 30,000,000 Equity shares of ₹ 10 each) | 3,000.00 | 3,000.00 |
| (b) Issued, Subscribed and Fully Paid up : 59,23,080 Equity shares of ₹ 10 each (59,23,080 Equity shares of ₹ 10 each) | 592.31 | 592.31 |
| 1.1 Pursuant to the Scheme of Arrangement the Equity Share Capital of the Company has been reorganised in the year 2010-11 | | |
| 1.2 The reconciliation of the number of shares outstanding is set out below : | | |
| | As at 31 March, 2016 | As at 31 March, 2015 |
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 59,23,080 | 59,23,080 |
| Equity Shares at the end of the year | 59,23,080 | 59,23,080 |
| 1.3 The details of Shareholders holding more than 5% shares : | | |
| | As at 31 March, 2016 | As at 31 March, 2015 |
| | Number of Shares Held | Number of Shares Held |
| | % holding | % holding |
| Shirish Mansingh Anjaria | 360,948 | 360,948 |
| Dharmesh Shirish Anjaria | 356,220 | 356,220 |
| Parag Jitendra Dalal | 347,200 | 347,200 |
| Nilam Anjaria | 309,602 | 309,602 |
| 1.4 As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the both legal and beneficial ownership of shares. | | |
| 1.5 The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholdings. | | |
| 1.6 No bonus shares have been issued to equity share holders in last five years. | | |
| 1.7 No equity share shares been bought back in last five years. | | |
| 2 RESERVES & SURPLUS | | |
| (a) General reserve As per last Balance Sheet | 190.46 | 190.46 |
| (b) Surplus in Statement of Profit and Loss As per last Balance Sheet Add: Profit for the year | 812.90 91.19 | 839.67 68.76 |
| | 904.09 | 908.43 |
| Less : Appropriations Adjustments relating to Fixed Assets | - | 95.53 |
| Net surplus in the statement of Profit & Loss | 904.09 | 812.90 |
| Total | 1,094.55 | 1,003.36 |

DYNACONS

SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|---------------------|--|--|--|--|-------------|-----------|--------|---|--------|----------------------|--|--|--|--|-------------------------------|-----------|--------|----|-------|-------------------------------|-----------|--------|----|--------|--|
| 3 LONG TERM BORROWINGS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secured | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Term Loans | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| From Banks | 6.20 | 15.24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| From Others | 56.94 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 63.15 | 15.24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a) Nature of Security & terms of Repayment of secured borrowing : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.1 | Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.2 | Term loans from Other Parties are Secured by way of first mortgage / charge on the Vehicles of the Company. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.3 | Other Details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Security Covered</th> <th style="text-align: center;">Date of Maturity</th> <th style="text-align: center;">Number Of Installments Due</th> <th style="text-align: center;">Applicable Rate Of Interest</th> </tr> </thead> <tbody> <tr> <td>A From Banks</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1 HDFC Bank</td> <td style="text-align: center;">Motor Car</td> <td style="text-align: center;">Jun-18</td> <td style="text-align: center;">3</td> <td style="text-align: center;">10.17%</td> </tr> <tr> <td>B From Others</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Non Banking Financial Company</td> <td style="text-align: center;">Motor Car</td> <td style="text-align: center;">Dec-20</td> <td style="text-align: center;">45</td> <td style="text-align: center;">9.25%</td> </tr> <tr> <td>Non Banking Financial Company</td> <td style="text-align: center;">Motor Car</td> <td style="text-align: center;">Aug-19</td> <td style="text-align: center;">29</td> <td style="text-align: center;">11.12%</td> </tr> </tbody> </table> | Particulars | Security Covered | Date of Maturity | Number Of Installments Due | Applicable Rate Of Interest | A From Banks | | | | | 1 HDFC Bank | Motor Car | Jun-18 | 3 | 10.17% | B From Others | | | | | Non Banking Financial Company | Motor Car | Dec-20 | 45 | 9.25% | Non Banking Financial Company | Motor Car | Aug-19 | 29 | 11.12% | |
| Particulars | Security Covered | Date of Maturity | Number Of Installments Due | Applicable Rate Of Interest | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A From Banks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 HDFC Bank | Motor Car | Jun-18 | 3 | 10.17% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B From Others | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non Banking Financial Company | Motor Car | Dec-20 | 45 | 9.25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non Banking Financial Company | Motor Car | Aug-19 | 29 | 11.12% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 DEFERRED TAX LIABILITY NET | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred Tax Liability | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Related to fixed assets | 52.28 | 56.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred Tax Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disallowances under the Income Tax Act, 1961 | 3.81 | 4.52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 48.47 | 52.28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 OTHER LONG TERM LIABILITIES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Payables* | 22.85 | 19.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 22.85 | 19.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *Includes Staff Dues | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 LONG TERM PROVISIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for employee benefits: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for other defined benefit plans (Refer Note 22.1) | 38.32 | 22.91 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 38.32 | 22.91 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 Short Term Borrowings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secured | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Working Capital Loans : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| From Banks | 2,009.07 | 1,261.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 2,009.07 | 1,261.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.1 | Working capital loans are secured by hypothecation of present and future stock, book debts, outstanding monies, receivables, claims, bills, material in transit and Fixed Assets and personal guarantees of directors. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at | As at |
|--------------------------------------|----------------|----------------|
| | 31 March, 2016 | 31 March, 2015 |
| 8 TRADE PAYABLES | | |
| Micro, Small and Medium Enterprises | - | - |
| Others | 758.79 | 192.58 |
| Total | 758.79 | 192.58 |
| 9 OTHER CURRENT LIABILITIES | | |
| Current maturities of long-term debt | 14.53 | 17.07 |
| Others Payables* | 327.22 | 189.97 |
| Total | 341.75 | 207.04 |

*Include Statutory dues and others

10 FIXED ASSETS

Notes forming part of the financial statements for the year ended 31 Mar, 2016

(₹ in Lakhs)

| Sr. No. | Particulars | Gross Block | | | | Depreciation | | | | Net Block | | |
|---------|-----------------------|------------------|--------------------------|---------------------------|------------------|------------------|--------------------------|-------------|---------------------------|------------------|----------------------|----------------------|
| | | As at 01-04-2015 | Addition during the year | Deduction during the year | As at 31-03-2016 | As at 01-04-2015 | Addition during the year | Adjustments | Deduction during the year | As at 31-03-2016 | WDV as on 31-03-2016 | WDV as on 31-03-2015 |
| I | Tangible Assets | | | | | | | | | | | |
| 1 | Furnitures & Fixtures | 5.19 | - | - | 5.19 | 4.98 | 0.02 | - | - | 4.99 | 0.20 | 0.21 |
| 2 | Vehicles (Cars) | 66.67 | 85.97 | - | 152.65 | 26.03 | 10.82 | - | - | 36.85 | 115.80 | 40.64 |
| 3 | Office Equipment | 6.91 | 0.26 | - | 7.18 | 5.77 | 0.31 | - | - | 6.08 | 1.10 | 1.14 |
| 4 | Computer | 376.12 | 19.90 | - | 396.02 | 115.86 | 51.10 | - | - | 166.96 | 229.06 | 260.26 |
| | Total | 454.90 | 106.14 | - | 561.03 | 152.64 | 62.24 | - | - | 214.88 | 346.15 | 302.26 |
| | (Previous Year) | 742.90 | 81.24 | 369.25 | 454.90 | 260.26 | 121.21 | - | 365.07 | 152.64 | 302.26 | 482.64 |

11 NON-CURRENT INVESTMENTS**(A) Trade Investments**

-

(B) Others**In Equity Shares - Unquoted, fully paid up**

Kapol Co-op Bank Ltd.

5,000 Equity Shares of ₹ 10 each

0.51

0.51

0.51

0.51

In Equity Shares - Quoted, fully paid up

Dena Bank

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

0.60

0.60

0.60

0.60

Total

1.11

1.11

(Market Value of Quoted investments

₹ 0.58 Lakhs (Previous year ₹ 1.02 Lakhs)

Book value of quoted investments

0.60

0.60

Market value of quoted investments

0.58

1.02

Book value of unquoted investments (net of provision)

0.51

0.51

DYNACONS

SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|-------------------------|-------------------------|
| 12 Long Term Loans And Advances (Unsecured and considered good) | | |
| Security deposits | 102.04 | 10.99 |
| Advance income tax (Net of provisions) | 184.09 | 127.93 |
| Total | <u>286.12</u> | <u>138.92</u> |
| 13 INVENTORIES | | |
| Finished goods (other than those acquired for trading) | | |
| Stock-in-trade | 662.06 | 744.35 |
| Total | <u>662.06</u> | <u>744.35</u> |
| 13.1 Inventories are valued at lower of cost or net realisable value whichever is low | | |
| 14 TRADE RECEIVABLES (Unsecured and Considered Good) | | |
| Over six months | 157.24 | 99.18 |
| Other Trade receivables | 2,878.05 | 1,452.37 |
| Total | <u>3,035.29</u> | <u>1,551.54</u> |
| 15 CASH AND BANK BALANCES | | |
| Cash on hand | 11.06 | 6.16 |
| Balances with banks : | | |
| In current accounts | 3.15 | 0.99 |
| Other Bank Balances : | | |
| In deposit accounts | 480.49 | 573.34 |
| In earmarked accounts | | |
| - Balances held as margin money against guarantees | 130.79 | 29.83 |
| Total | <u>625.49</u> | <u>610.32</u> |
| 16 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good) | | |
| Others | 13.04 | 17.93 |
| Total | <u>13.04</u> | <u>17.93</u> |
| * Includes Loans and advances to Employees and advances for Services | | |
| 17 REVENUE FROM OPERATIONS | | |
| Revenue from Information Technology Products | 12,418.19 | 10,492.21 |
| Total | <u>12,418.19</u> | <u>10,492.21</u> |
| 17.1 The Company is engaged in systems Integration which includes the sales of products and services as a complete solution | | |
| 18 Other Income | | |
| Interest income | 51.73 | 42.79 |
| Other Non-Operating income | - | 0.31 |
| Others# | 0.37 | - |
| Total | <u>52.10</u> | <u>43.10</u> |

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|-------------------------|-------------------------|
| # Includes Miscellaneous income | | |
| 19 COST OF MATERIALS CONSUMED | | |
| Purchases of Information Technology Products | 10,923.64 | 9,592.82 |
| Total | 10,923.64 | 9,592.82 |
| 20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE | | |
| Inventories at close | | |
| Stock-in-Trade | 662.06 | 744.35 |
| | 662.06 | 744.35 |
| Inventories at Commencement | | |
| Stock-in-Trade | 744.35 | 545.42 |
| | 744.35 | 545.42 |
| | 82.29 | (198.93) |
| 21 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and wages | 700.42 | 448.24 |
| Contributions to provident and other funds | 14.17 | 5.82 |
| | 714.59 | 454.07 |

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

| Particulars | 2016 Amount (₹) | 2015 Amount (₹) |
|--|--------------------|--------------------|
| I. Assumptions : | | |
| Discount Rate | 7.95% | 8.09% |
| Salary escalation rate | 4.00% | 4.00% |
| II. Table Showing Change in Benefit Obligation : | | |
| Liability at the beginning of the year | 15.03 | 7.43 |
| Interest Cost | NIL | NIL |
| Current Service Cost | 14.72 | 7.59 |
| Past Service Cost (Non Vested Benefit) | NIL | NIL |
| Past Service Cost (Vested Benefit) | NIL | NIL |
| Benefit Paid | NIL | NIL |
| Balance | 29.75 | 15.03 |
| Actuarial (gain)/loss on obligations | NIL | NIL |
| Liability at the end of the year | 29.75 | 15.03 |
| III. Amount Recognized in the Balance Sheet | | |
| Liability at the end of the year | 29.75 | 15.03 |
| Fair Value of Plan Assets at the end of the year | NIL | NIL |
| Difference | 29.75 | 15.03 |
| Unrecognized Past Service Cost | NIL | NIL |
| Amount Recognized in the Balance Sheet | 29.75 | 15.03 |
| IV. Expenses Recognized in the Income Statement : | | |
| Current Service Cost | 14.72 | 7.59 |
| Interest Cost | NIL | NIL |
| Expected Return on Plan Assets | NIL | NIL |
| Net Actuarial Gain/(Loss) To Be Recognized | NIL | NIL |
| Past Service Cost (Non Vested Benefit) Recognized | NIL | NIL |
| Past Service Cost (Vested Benefit) Recognized | NIL | NIL |
| Expense Recognized in P&L | 14.72 | 7.59 |

DYNACONS

SYSTEMS & SOLUTIONS LTD.

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|-------------------------|-------------------------|
| 22 FINANCE COST | | |
| Interest expense | 252.06 | 193.86 |
| Total | 252.06 | 193.86 |
| 22.1 Interest expense on: | | |
| (i) Borrowings | 251.56 | 191.82 |
| (ii) Others | 0.50 | 2.03 |
| | 252.06 | 193.86 |
| 23 Other Expenses | | |
| Electricity Expenses | 10.82 | 7.56 |
| Rent | 49.79 | 19.51 |
| Communication Expenses | 15.85 | 23.99 |
| Auditors Remuneration | 4.80 | 4.00 |
| Staff Welfare Expenses | 26.18 | 6.55 |
| Bank Charges | 23.41 | 25.01 |
| Conveyance And Travelling Expenses | 44.82 | 45.38 |
| Insurance Charges | 2.34 | 2.01 |
| Legal & Professional Charges | 27.30 | 37.96 |
| Membership & Subscription | 3.01 | 4.60 |
| Miscellaneous Expenses | 13.21 | 27.97 |
| Motor Car Expenses | 5.12 | 5.32 |
| Printing & Stationary Expenses | 4.98 | 3.54 |
| Rates & Taxes | 22.46 | 9.80 |
| Repairs & Maintenance -Building | 4.90 | 1.97 |
| Repairs & Maintenance - Others | 3.34 | 4.24 |
| Sales Promotion Expenses | 3.67 | 6.08 |
| Transportation Charges | 38.09 | 33.58 |
| Total | 304.09 | 269.11 |
| 23.1 PAYMENT TO AUDITORS AS | | |
| (a) Auditor | | |
| Statutory Audit Fees | 4.20 | 3.50 |
| VAT Audit Fees | 0.20 | 0.20 |
| (b) Certification and Consultation Fees | 0.40 | 0.30 |
| | 4.80 | 4.00 |

Additional Information to the financial statements

24.1. Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

| Particulars | Period to which the amount relates | Forum where the dispute is pending | Amount (₹ lakhs) |
|-----------------|------------------------------------|--|------------------|
| Income Tax | AY 2012-13 | Deputy Commissioner of Income Appeals | 6.11 |
| Value Added Tax | FY 2006-07 | Deputy Commissioner of Sales Tax Appeals | 1.00 |
| Value Added Tax | FY 2008-09 | Deputy Commissioner of Sales Tax Appeals | 11.14 |

b) Guarantees given by the company's bankers ₹ 731.96 lakhs (previous year ₹ 703.49 lakhs)

Notes forming part of the financial statements for the financial year ended 31st March, 2015

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

24.2. Micro & Small Enterprises

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|---|----------------------|---|
| Amount due to vendor | - | - | - | - |
| Principal amount paid (includes unpaid) beyond the appointed date | - | - | - | - |
| Interest due and payable for the year | - | - | - | - |
| Interest accrued and remaining unpaid (includes interest disallowable of ₹ Nil (Previous year: ₹ Nil)) | - | - | - | - |

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

24.3. Income in Foreign Currency

| | 2016 (₹/lakhs) | 2015 (₹/lakhs) |
|-------------------------|-------------------|-------------------|
| Revenue From Operations | ₹ 424.51 | ₹ 5.23 |

24.4 Expenditures in Foreign Currency

| Particulars | 2016 (₹/lakhs) | 2015 (₹/lakhs) |
|---------------------|-------------------|-------------------|
| Travelling Expenses | ₹ 2.03 | ₹ 0.63 |

24.5 Segment Information

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

24.6. Related Party Disclosures

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

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

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

| Party | Nature of Payment | 2016 (₹/lakhs) | 2015 (₹/lakhs) |
|-------------------------|---------------------------|-------------------|-------------------|
| M/s S.P. Corporation | Rent for Premises | 0.60 | 0.60 |
| M/s S.P. Corporation | Reimbursement of Expenses | 2.79 | 1.08 |
| Mr. Shirish M. Anjaria | Remuneration | 10.40 | 7.20 |
| Mr. Parag J. Dalal | Remuneration | 13.20 | 12.00 |
| Mr. Dharmesh S. Anjaria | Remuneration | 13.20 | 12.00 |

Notes forming part of the financial statements for the financial year ended 31st March, 2016

(₹ in Lakhs)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

24.7. Earnings per Share (Basic and Diluted)

| Particulars | Units | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|---|------------|------------------------------|------------------------------|
| Profit after Tax | (₹/lakhs) | 91.19 | 68.76 |
| Weighted Number of Equity Shares | Nos. Lakhs | 59.23 | 59.23 |
| Earnings Per Share (of paid up Value of ₹10 each) | ₹ | 1.54 | 1.16 |

24.8. Lease Commitments

Operating Lease

The company has taken office premises on lease under cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 49.79 lakhs (Previous year ₹ 19.26 lakhs).

24.9. Foreign Exchange Exposure:

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

As of the Balance Sheet date, the Company has net foreign currency exposure that are not hedged by a derivative instrument or otherwise, amounting to ₹108.20 lakhs (Previous year ₹ 25.55 lakhs).

24.10. Other Notes

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

As per our report of even date attached

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

C. K. Palan
Proprietor
Membership No: 100741

Place : Mumbai
Date : April 26, 2016

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Route Map to the Venue of the AGM



**Hotel Planet Residency, Subhash Road, Adjacent to Garware House,
Vile Parle (East), Mumbai-400057**

If undelivered, please return to:



DYNACONS
SOLUTIONS THAT EMPOWER

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

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN :L72200MH1995PLC093130

78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (West), Mumbai -400056.
Tel: 022-66889900, E-mail: investor@dynacons.com, Website: www.dynacons.com

ATTENDANCE SLIP

21st ANNUAL GENERAL MEETING ON FRIDAY, 30th SEPTEMBER, 2016

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 21st Annual General Meeting (AGM) of the Company on Friday, 30th September, 2016, at 4:30 p.m. at the Hotel Planet Residency, Subhash Road, Adjacent to Garware House, Vile Parle (East), Mumbai-400057, India or any adjournment thereof.

[Signature of Shareholders/Proxy(s)]

Notes:

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

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual general meeting of the Company to be held on Friday, 30th September, 2016 at 4:30 p.m. at the Hotel Planet Residency, Subhash Road, Adjacent to Garware House, Vile Parle (East), Mumbai-400057, 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 Balance Sheet as at March 31, 2016, the Profit and Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon. | | |
| 2. | Appointment of a Director in place of Mr. Dharmesh Anjaria (Din no.: 00445009), who retires from the office of Whole - time director by rotation and, being eligible, offers himself for re-appointment. | | |
| 3. | Ratification of the appointment of M/s.Palan & Co. as Statutory Auditors of the Company. | | |
| Special Business: | | | |
| 4. | Appointment of Mr. Shirish Anjaria (Din no.: 00444104) as Chairman cum Managing Director of the Company. | | |
| 5. | Appointment of Mr. Parag Dalal (Din no.: 00409894) as Whole-time Director of the Company. | | |
| 6. | Appointment of Mr. Dharmesh Anjaria (Din no.: 00445009) as Whole-time Director of the Company. | | |
| 7. | Appointment of Mr. Jitesh Jain (Din no.: 07138774) as an Independent Director of the Company. | | |

Signed this _____ day of _____ 2016

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.