



**DYNACONS**  
Technologies Ltd.

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

**DYNACONS TECHNOLOGIES LIMITED**  
**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Shri. Shirish M. Anjaria ... ..	Chairman cum Managing Director
Shri. Parag. J. Dalal ... ..	Director
Shri. Dharmesh S. Anjaria ... ..	Director
Shri. Viren Shah ... ..	Director
Shri. Dilip Palicha ... ..	Director
Shri. Jitesh Jain ... ..	Director
Smt. Archana Phadke	Director(Appointed w.e.f. March 27, 2015)

**AUDITORS**

Palan & Co.  
Chartered Accountants  
Mumbai.

**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

**REGD. OFFICE**

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

**CONTENTS**

Notice	3
Directors' Report	9
Corporate Governance Report	28
Auditors' Report	41
Balance Sheet	45
Profit and Loss Account	46
Cash Flow Statement	47
Notes Forming Part of the Financial Statements	48

**NOTICE**

**Notice** is hereby given that the Sixth Annual General Meeting of the members of **Dynacons Technologies Limited** (CIN : L72900MH2009PLC191412) will be held on Wednesday, 30<sup>th</sup> Day of September, 2015 at 04.30 P.M., at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Parag Dalal (Din: 00409894), who retires from the office of 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 8<sup>th</sup> Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 8<sup>th</sup> AGM of the Company to be held in the year 2017, at such remuneration plus service tax, out-of-pocket, travelling expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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

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

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

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

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

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

**"RESOLVED THAT** Ms. Archana Phadke (holding Din:07138774), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27<sup>th</sup> March, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company and whose terms of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company to be held in the year 2020."

**By Order of the Board of Directors**

For **Dynacons Technologies Ltd.**

**Date :** August 31, 2015

**Place :** Mumbai

**Shirish M. Anjaria**

Chairman cum Managing Director

**DIN No : 00444104**

**Parag J. Dalal**

Director

**DIN No : 00409894**

**Registered Office**

78, Ratnajyot Industrial Estate,

Irla lane, Vile Parle (West),

Mumbai - 400056

CIN No : **L72900MH2009PLC191412**

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) in respect of the **Item No.4 & 5** of the accompanying Notice is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment under **Item No. 2 & 5** of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.
4. A person can act as proxy on behalf of members not exceeding (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
5. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 24<sup>th</sup> day of September, 2015 to Wednesday, the 30<sup>th</sup> day of September, 2015 (both days inclusive).
8. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent.
9. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the annual general meeting so that the required information can be made available at the Company.
10. In compliance with the provisions of Section 108 of the act and the rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting, services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in the notice.
11. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, Bigshare Services Pvt.Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company.
12. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
13. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE741L01018.
14. Annual Listing fees for the year 2015-16 has been paid to all stock exchange wherein shares of the Company are listed.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL):
  - (i) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
  - (ii) The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for e-voting are as under:

**A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):**

- i. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>.
- iii. Click on Shareholder - Login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Dynacons Technologies Limited. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csshrutishah@gmail.com](mailto:csshrutishah@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com).

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

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

**C. Other Instructions:**

- I. The e-voting period commences on September 27, 2015 (9:30 am IST) and ends on September 29, 2015 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2015, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2015, may obtain the login ID and password by sending a request at [www.evoting@nsdl.co.in](mailto:www.evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting@nsdl.co.in](http://www.evoting@nsdl.co.in).
- iii. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 28<sup>th</sup> August, 2015.
- iv. Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

# **DYNACONS**

## **Technologies Ltd.**

---

- v. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923), at the Registered Office of the Company not later than September 29, 2015 (05:00 pm IST).

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

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

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dtlindia.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Sixth AGM of the Company on September 30, 2015 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**By Order of the Board of Directors**  
For **Dynacons Technologies Ltd.**

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

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

**Parag J. Dalal**  
Director  
**DIN No : 00409894**

**Registered Office**  
78, Ratnajyot Industrial Estate,  
Irla lane, Vile Parle (West),  
Mumbai - 400056  
CIN No : **L72900MH2009PLC191412**

## **EXPLANATORY STATEMENTS**

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

### **ITEM NO. 4**

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

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

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

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

### **ITEM NO. 5**

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

The Non-executive Director of the Company, have given a declaration to the board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the directors fulfill the conditions specified in the act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Mrs. Archana Phadke, as an Independent Directors of the Company till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company to be held in the year 2020.

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

The brief profile of Independent Director is as under:

Mrs. Archana Phadke

Mrs. Archana Phadke has over 35 years of experience in the areas of Business Administration, Operations and Corporation Affairs. By profession she is Commerce Graduate.

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

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

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(In Pursuance of Clause 49 of the Listing Agreement)

Particulars	Mr. Parag Dalal	Mrs. Archana Phadke
Director Identification Number (DIN)	00409894	07138774
Date of Birth	May 23, 1968	August 17, 1948
Date of Appointment	April 02, 2009	March 27, 2015
Experience in functional Area	Wide experience in Information Technology Service and Solutions	Over 35 years of experience in the areas of Business Administration, Operations and Corporation Affairs.
Qualification	Intel certified solution Consultant Digital Electronics post Graduate In Computer Applications.	Commerce Graduate
Directorship in other Companies (Public Limited Companies)	1	1
Membership of Committees of other public limited companies (Audit Committee and Shareholder's/Investor's Grievance Committee only)	—	—
No. of Shares held in the Company	Nil	600

**By Order of the Board of Directors**

For Dynacons Technologies Ltd.

**Date :** August 31, 2015

**Place :** Mumbai

**Shirish M. Anjaria**

Chairman cum Managing Director

**DIN No : 00444104**

**Parag J. Dalal**

Director

**DIN No : 00409894**

**Registered Office**

78, Ratnajyot Industrial Estate,

Irla lane, Vile Parle (West),

Mumbai - 400056

CIN No : **L72900MH2009PLC191412**



**DIRECTORS' REPORT**

Your Directors are pleased to present the **Sixth** Annual Report of your Company for the period ended March 31, 2015.

**1. Financial Highlights:**

(₹ In Lacs)

Sr No.	Particulars	Year ended 31/03/2015	Year ended 31/03/2014
1.	Total Income	3606.18	3188.22
2.	Total Expenditure (Excl. Depreciation & Interest)	3424.86	2992.39
3.	Interest	83.86	86.28
4.	Depreciation	78.72	93.31
5.	Profit before Tax	18.74	16.24
6.	Provision for Taxation	9.09	6.93
7.	Profit after tax	9.65	9.31

**2. Management Analysis and Discussions****Discussion on financial performance with respect to operational performance**

During the year, your Company earned total revenues of ₹3606.18 lacs compared with ₹3188.22 lacs during the previous year, reflecting a growth of 13.11 % over the previous year. The profit before tax stood at ₹18.74 lacs as compared to ₹16.24 lacs in the previous year. The Company has made a provision of tax totaling to ₹9.09 lacs and the profit after tax stood at ₹9.65 lacs for the current year. The Operating Profit (earnings before depreciation and interest and tax) grew from ₹181.32 lacs to ₹195.82 lacs, a growth of 8 % over the previous year.

The Company has built a comprehensive brand portfolio across various verticals including software, server and security, and this has helped the company to increase its earnings. The company has a mix of products, services and technology integration in order to build opportunities for incremental revenue growth.

**Review of Operations including Industry Structure and Developments**

The year under review was one of the most challenging ones in recent years. The year witnessed moderate growth in Global demand of IT products reflecting broad pricing pressures, government spending constraints from continued fiscal challenges, datacenter consolidation enabled by virtualization, accelerating cloud adoption and a shift toward lower-cost hardware products. In India although the sentiment continues to be positive, demand on the ground has not picked across product categories. From an IT products standpoint, the market remains sluggish. Projects, essentially driven out of investment in infrastructure by government and corporates, have slowed down and only old projects are being executed. Your Company has demonstrated its high adversity quotient and its capacity for implementing differentiated strategic solutions.

Information Technology lies at the core of your Company's business. The sector prompted and shaped industrial growth and transformed the lifestyle of the citizens. Now a new trend is emerging where the enterprise focus is gradually shifting from capital expenditure to operating expenditure and billing style is changing from transaction to annuity, pay-per-use, and pay-per-click. The trend is not disruptive today and is at a nascent stage. But it is expected to evolve in the next decade. The strong fundamentals of business and the current model will continue to be in vogue but at a lower pace of growth as compared to the new tech trend. Looking ahead there are a few significant trends shaping the distribution business in general and IT distribution in particular. Your Company is engaged in monitoring and suitably adapting its strategy to participate and be relevant in the changed scenario.

Adoption of Cloud based infrastructure and solutions is gaining traction in India and there is a gradual acceptance on the part of organizations in the SMB sector to embrace this practice in order to shift their IT Infrastructure from a Capex to an Opex model. Cloud technology allows users access to applications over the Internet displacing the age-old practice of running programs by downloading software onto a physical server or computer. We aspire to position ourselves as a single company that acts as a bridge between the Cloud Technology providers and the End Customers by offering a complete bouquet of Cloud solutions and services. Your Company is looking to sell Cloud Solution as a product. As the demand pattern in India matures, your Company will evaluate appropriate Cloud business strategies and invest in this space accordingly.

Given that India is one of the fastest growing markets in the world, all major brands in the enterprise and retail verticals, even those with an existing presence in the country, are keenly looking at ways to increase their market share. Our diversity in terms of a large

bouquet of products lines and vendors and geographical reach has enabled your Company to take maximum advantage of the available growth opportunities. Your Company has embarked on the set up of a robust services platform that benefits both the brand and the end customer. This will involve offering complete parts planning, parts warehousing, forward and reverse logistics, imports and re-exports, and assets recovery and e-waste management to provide a single-window fret-free parts management service to brands.

With growing dependence on IT, thanks to the Internet and mobility, uptime of devices be it PCs, Tablets or Smartphones, and enterprise assets like networking devices, servers and storage which support them, has become critical for running business applications and maintaining operational efficiencies. User organizations have therefore time and again necessarily refurbished their IT hardware from a plethora of vendors ending up with products from multiple brands. To complicate matters further, rapid strides in technology have successfully shortened product life cycles and put tremendous strain on parts availability for maintenance of assets beyond service life. Managing the uptime of heterogeneous IT hardware is therefore a huge challenge for user companies. Your company is looking to tap this into a big opportunity and offer single window SLA bound AMC service for heterogeneous hardware, which spans PCs, peripherals, and enterprise assets. Your Company's investment and engagement over the years has enabled it to develop a strong foothold catering to Enterprise & Infrastructure projects.

While strengthening and consolidating its core business, it is evaluating ways and means of transforming through better efficiencies and increased process driven automation. Your company is evolving into a Solution oriented partner for its vendors and customers. Pre-Sales and Technical Sales talents are deployed to help partners provide their customers with customized solutions to achieve their desired business outcomes.

## **Strengths**

The inherent strength of your Company derives from its absolute belief in sound, sustainable business practices and an ability to continuously address the diverse needs of its customers. The strengths have enabled your Company to successfully articulate its various differentiated value propositions in the markets in which it operates.

We believe our strong brand, robust quality process and our access to skilled talent base at lower costs of providing services places to us in a unique position to take advantage of the opportunities available.

The Company provides the entire spectrum of Information Technology products. The strength of your Company is the brand and products diversification along with wide product range, dedicated group of talented professional who drive its business and relationships with its business partners and manage its support functions.

## **Quality**

Your Company continues to strive towards operational and delivery excellences with a renewed focus on the path of business excellence. 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. Several initiatives have been taken to implement result oriented quality management models.

In order to be able to respond quickly to the customers, your Company continues with various internal initiatives to compete effectively, improve organizational flexibility and efficiency, streamline internal processes and institutionalize a culture of continuous improvement. The system comprises well defined organization structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority.

Review of key business processes like business planning, reporting and communication has been done to make them more effective in meeting business objectives. Moving forward, your company shall continue to further strengthen its processes by adopting best-in-class standards.

Customer Satisfaction and excellence in quality are key elements for succeeding in this competitive market. In order to be able to respond quickly to the customers, your Company continues with various internal initiatives to implement result oriented quality management models, compete effectively, improve organizational flexibility and efficiency, streamline internal processes across all its entities globally and institutionalize a culture of continuous improvement.

## **Outlook**

In the near term, the outlook is a little gloomy. The expected pickup in demand in India which had been anticipated eagerly since last fiscal year, is yet to take shape. Looking ahead there are a few significant trends shaping the distribution business in general and IT distribution in particular. Your Company is engaged in monitoring and suitably adapting its strategy to participate and be relevant in the changed scenario.

Your Company is in the process of preparing itself for the changes in business paradigms which are expected to reshape the Indian Market. Your Company's ability to capture emerging business opportunities across social, mobile, analytics, cloud (SMAC), particularly solutions with higher customer value, is critical to achieving revenue growth and maintaining profitability on a sustainable basis in the coming years. We believe that with our diverse portfolio of solutions and services, domain expertise and increasing value-add to customers, we are best suited to be a strategic partner to our customers. Your Company is also exploring distribution in other areas such as Telecom products and Consumer Durables, thereby leveraging in its infrastructure and of course optimizing its core competency. The Company is undertaking several key initiatives including enhancement of existing skill sets and domain knowledge for providing implementation and application services to customers on behalf of its vendors and partners.

### **Opportunities and threats**

#### Opportunities

We believe there is a growing demand for additional services and solutions from companies that already have an established global presence and existing infrastructure, which is why we are strategically focused on increasing our capabilities in these areas. Our diversification strategy continues to provide us with new growth opportunities. Looking towards the future, your Company will remain focused on agility, innovation and operational excellence.

#### Threats

Competition is the main threat to most tech outfits, considering the relentless product cycles, the typically rapid move toward 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 productive life of IT resources and competencies is shrinking, thereby increasing the level of investment needed to meet the market requirements. The convergence of IT and Telecommunication industries, while provide huge growth opportunities to your Company, also exposes it to increased competition.

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.

### **Internal control systems and their adequacy**

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Company has 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 has the robust Management Information System, which is an integral part of the control mechanism. Dynacon Technologies 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.

### **3. Dividend**

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2015.

### **4. Directors and Key Managerial Personnel**

Pursuant to Section 149 of the Companies Act, 2013, the Board recommended the appointment of Mrs. Archana Phadke for a period of 5 Years as an Independent Director of the Company, not liable to retire by rotation from the date of its 6<sup>th</sup> Annual General Meeting subject to approval of the Members of the Company.

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

Mr. Parag Dalal, Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

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

During the year, Ms. Pooja M. Dere was appointed as Key managerial personnel w.e.f. 1<sup>st</sup> October, 2014. Mrs. Dere resigned from the office of Key managerial personnel dated 24<sup>th</sup> August, 2015.

## **5. Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Palan & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 5<sup>th</sup> Annual General Meeting (AGM) of the Company held on 30<sup>th</sup> September, 2014 till the conclusion of the 8<sup>th</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

### **Auditors Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **6. Open Offer**

During the year under review, the promoter and promoter group of Company entered in to Share Purchase Agreement (SPA) dated August 8, 2014 with Mr. Arun Govil. Mr. Govil gave an Offer to the equity shareholders of the Company (other than parties to the SPA) to acquire 2,03,90,006 Equity shares of the Company of face value of Rs.1/- each representing in aggregate 26.00% of the paid up equity share capital and voting capital of the Target Company at a price of Rs. 1.30/- (Rupee one and Thirty Paise only) per fully paid up equity share. The open offer was open from February 26, 2015 to March 12, 2015. The entire contents of Open Offer are available on [www.sebi.gov.in](http://www.sebi.gov.in).

## **7. Corporate Governance**

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

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

## **8. 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.dtlindia.com](http://www.dtlindia.com).

## **9. Relationship Between Directors Inter-Se**

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

## **10. Familiarization Program for Independent Directors**

The Company has practice of conducting familiarization program of the independent directors as detailed in clause 8 of the Corporate Governance Report which forms part of the Annual Report.

## **11. 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.

## **12. Documents Placed on the Website**

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

- Financial statements of the Company along with relevant documents.
- Details of Vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- The terms and conditions of appointment of Independent Directors as per Schedule IV to the act.

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

Your Company's core strength is its people. To bring in more business focus and total ownership, your Company's business organizational structure has been redesigned. This is expected to allow better growth and reward opportunities for talent, while simultaneously delivering better value to shareholders. Your Company has HR policy that elaborates on each aspect of human resource management including recruitment, employee development & training, staff welfare, administration services & recreation events. The Company offers a growth environment along with monetary benefits in line with industry standards. The Company has a number of employee initiatives to attract, retain and develop talent in the organization.

Your Company encourages regular training and development program. Continuous training is imparted in advanced technological managerial and soft skills for the employees to enhance their skill-sets in alignment with their respective roles. The major thrust continues in the effort to bring about measurable change in training coverage and effectiveness, increasing the Leadership and Development opportunities for every staff member.

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

Employee Retention is a key focus area. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, and connect to maintain employee-friendly culture in the organization.

### **14. Fixed Deposits**

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

### **15. Directors Responsibility Statement**

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

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- ii) 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 of the Company for that period;
- iii) 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 the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis; and
- v) 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.
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **16. 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.

## **17. Declaration by an Independent Director(s)**

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

## **18. Remuneration Policy**

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

## **19. Risk Management**

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

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

## **20. Vigil Mechanism**

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.

## **21. Particulars of Remuneration**

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is given under Annexure IV.

## **22. Internal Audit & Controls**

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

## **23. 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 as Annexure-I.

## **24. Secretarial Audit Report**

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

## **25. Particulars of Loans, Guarantees or Investments**

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

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

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

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

In order to prevent sexual harassment of women at work place, a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified. Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

**28. 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, 2015 is as under :

**Conservation of Energy:** The Company's operations involve low energy consumption. However efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

**Technology Absorption:** The Technology available and utilized is continuously being upgraded to improve overall performance and productivity.

**Research & Development:** Your Company believes that research & development is a continuous process for sustained corporate excellence. Our research & development activities help us in product and service improvement, effective time management and are focused to provide unique benefits to our customers. Such methods do not involve any specific cost burden to the Company.

**Foreign Exchange Earnings** : Rs. NIL (previous year Nil)  
**Foreign Exchange Outgo** : Rs.0.03 (previous year 0.13)

**29. 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**  
 Director  
**Din no.: 00409894**

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

**Annexure I**

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

**As on financial year ended on 31.03.2015**

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

**I. REGISTRATION & OTHER DETAILS**

1.	CIN	L72900MH2009PLC191412
2.	Registration Date	02/04/2009
3.	Name of the Company	DYNACONS TECHNOLOGIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (WEST) MUMBAI - 400056
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED, E-2, ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD, SAKI NAKA, ANDHERI (EAST), MUMBAI-400072 Email Id: rutika@bigshareonline.com Tel No.: 022 4043 0365
8.	E-mail Id	investor@dtlindia.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	Computer Systems & Information Technology Products.	6202	100%

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

Sr. No.	Name and Description of main products / services	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	_____	NA _____	_____



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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	12832684	-	12832684	16.36	-	-	-	-	16.36
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	15347968	-	15347968	19.57	-	-	-	-	19.57
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A (1)</b>	28180652	-	28180652	35.93	-	-	-	-	35.93
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	47189352	1200	47190552	60.17	60.17
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total A2	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter Group A(1+2)	28180652	-	28180652	35.93	47189352	1200	47190552	60.17	24.24
<b>B. Public Shareholding</b>									
1. Institutions									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									-
I) Indian	2703535	-	2703535	3.45	2628075	-	2628075	3.35	(0.1)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

# DYNACONS

Technologies Ltd.

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	23354701	33080	23685501	30.20	23691768	327200	24018968	30.63	0.43
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4304452	-	4304452	5.49	3242712	-	3242712	4.13	(1.36)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	19456399	-	19456399	24.81	1135776	-	1135776	1.45	(23.36)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	92561	-	92561	0.12	207017	-	207017	0.26	0.14
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	49911648	330800	50242448	64.07	30905348	327200	31232548	39.83	(24.24)
Total Public	49911648	330800	50242448	64.07	30905348	327200	31232548	39.83	(24.24)
Shareholding (B)= (B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	78092300	330800	78423100	100	78094700	328400	78423100	100	0.00

Note : Percentage in bracket represents negative percentage.

## B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHIRISH M. ANJARIA	2707212	3.45	0	0	0	-	3.45
2	DHARMESH S. ANJARIA	2671750	3.41	0	0	0	-	3.41
3	PARAG J. DALAL	2604100	3.32	0	0	0	-	3.32
4	NILAM S. ANJARIA	1894321	2.42	0	0	0	-	2.42
5	JIGNA D. ANJARIA	982222	1.25	0	0	0	-	1.25
6	DEVANGI PARAG DALAL	1009800	1.29	0	0	0	-	1.29
7	HASUMATI DALAL	486125	0.62	0	0	0	-	0.62
8	SHIRISH M. ANJARIA (H.U.F)	26574	0.03	0	0	0	-	0.03

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
9	TRIGEM INFOSOLUTIONS LIMITED	348568	0.44	0	0	0	-	0.44
10	PARAG J. DALAL (H.U.F.)	450580	0.57	0	0	0	-	0.57
11	DYNACONS SYSTEMS & SOLUTIONS LTD	14999400	19.31	0	0	0	-	19.31
12	ARUN GOVIL#	19000000#	24.23#	0#	47190552#	60.17	-	35.94

Note #: During the year under review, Mr. Arun Govil (non-promoter) entered into Share Purchase Agreement (SPA) with promoter a promoter group of Company dated 14<sup>th</sup> August, 2014. The Open Offer was given to the shareholders of Dynacons Technologies Ltd. and the same was closed on March 12, 2015. He was then categorized as Promoter for the quarter ended March 31, 2015.

#### C) Change in Promoters' Shareholding (please specify, if there is no change)

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	2707212	3.45	2707212	3.45
		Decrease	2707212	3.45	2707212	3.45
		At the end of the year	0	0	0	0
2	DHARMESH S. ANJARIA	At the beginning of the year	2671750	3.41	2671750	3.41
		Decrease	2671750	3.41	2671750	3.41
		At the end of the year	0	0	0	0
3	PARAG J. DALAL	At the beginning of the year	2604100	3.32	2604100	3.32
		Decrease	2604100	3.32	2604100	3.32
		At the end of the year	0	0	0	0
4	NILAM S. ANJARIA	At the beginning of the year	1894321	2.42	1894321	2.42
		Decrease	1894321	2.42	1894321	2.42
		At the end of the year	0	0	0	0
5	JIGNA D. ANJARIA	At the beginning of the year	982222	1.25	982222	1.25
		Decrease	982222	1.25	982222	1.25
		At the end of the year	0	0	0	0
6	DEVANGI PARAG DALAL	At the beginning of the year	1009800	1.29	1009800	1.29
		Decrease	1009800	1.29	1009800	1.29
		At the end of the year	0	0	0	0
7	HASUMATI DALAL	At the beginning of the year	486125	0.62	486125	0.62
		Decrease	486125	0.62	486125	0.62
		At the end of the year	0	0	0	0

# DYNACONS

## Technologies Ltd.

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
8	SHIRISH M. ANJARIA (H.U.F)	At the beginning of the year	26574	0.03	26574	0.03
		Decrease	26574	0.03	26574	0.03
		At the end of the year	0	0	0	0
9	TRIGEM INFOSOLUTIONS LIMITED	At the beginning of the year	348568	0.44	348568	0.44
		Decrease	348568	0.44	348568	0.44
		At the end of the year	0	0	0	0
10	PARAG J. DALAL (H.U.F)	At the beginning of the year	450580	0.57	450580	0.57
		Decrease	450580	0.57	450580	0.57
		At the end of the year	0	0	0	0
11	DYNACONS SYSTEMS & SOLUTIONS LTD	At the beginning of the year	14999400	19.31	14999400	19.31
		Decrease	14999400	19.31	14999400	19.31
		At the end of the year	0	0	0	0
12	ARUN GOVIL#	At the beginning of the year	19000000#	24.23#	19000000#	24.23#
		Increase	28190552	35.94	28190552	35.94
		At the end of the year	47190552	60.17	47190552	60.17

Note #: During the year under review, Mr. Arun Govil (non-promoter) entered into Share Purchase Agreement (SPA) with promoter and promoter group of Company dated 14<sup>th</sup> August, 2014. The Open Offer was given to the shareholders of Dynacons Technologies Ltd. and the same was closed on March 12, 2015. He was then categorized as Promoter for the quarter ended March 31, 2015.

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 1.4.2014		Change in share-Holding during the year		Shareholding at the beginning of the year as on 31.3.2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SANJAY SOHANLALJI JAIN	0	0	498,205	0.64	498,205	0.64
2	VISHAL GIRISHCHANDRA CHAPPER	360,373	0.46	0	0	360,373	0.46
3	DARSHANA RAMESH MERCHANT	451,053	0.58	(125000)	(0.16)	326,053	0.42
4	MASTERMIND FINANCIAL SERVICES PVT. LTD.	300,000	0.38	0	0	300,000	0.38
5	RAJNEESH JHAWAR	0	0	299,500	0.38	299,500	0.38
6	RAJSHREE KISHORE KAJARIA	278,006	0.35	0	0	278,006	0.35
7	AJITH P MATHEW	271,183	0.35	0	0	271,183	0.35
7	DHARMI CHAND JAIN HUF	0	0	220,689	0.28	220,689	0.28
7	MEHUL SURESH PARIKH	0	0	210,000	0.27	210,000	0.27
10	SHRI PARASRAM HLDGS LTD	245,229	0.31	(102,135)	(0.13)	143,094	0.18

Note : Percentage in bracket represents negative percentage.

Note : The above details are given as on 31<sup>st</sup> March, 2015. The Company is listed and 99.58% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

**E) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 1.4.2014		Change in share-Holding during the year		Shareholding at the beginning of the year as on 31.3.2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shirish M. Anjaria (Chairman and Managing Director)	2707212	3.45	(2707212)	(3.45)	0	0
2	Dharmesh S. Anjaria (Whole-time director)	2671750	3.41	(2671750)	(3.41)	0	0
3	Parag J. Dalal (Whole-time director)	2604100	3.32	(2604100)	(3.32)	0	0
4	Mr. Dilip Palicha (Director)	0	0	0	0	0	0
5	Mr. Viren Shah (Director)	0	0	0	0	0	0
6	Mr. Jitesh jain (Director)	0	0	0	0	0	0
7	Mrs. Archana Phadke (Director)	600	0	0	0	600	0
8	Ms. Pooja M. Dere (Key Managerial Personnel)	0	0	0	0	0	0

Note : Percentage in bracket represents negative percentage.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	660.75	0	0	660.75
<b>ii) Interest due but not paid</b>	0	0	0	0
<b>iii) Interest accrued but not due</b>	0	0	0	0
<b>Total (i+ii+iii)</b>	660.75	0	0	660.75
<b>Change in Indebtedness during the financial year</b>				
<b>* Addition</b>	0	0	0	0
<b>* Reduction</b>	2.86	0	0	2.86
<b>Net Change</b>	2.86	0	0	2.86
<b>Indebtedness at the end of the financial year</b>				
<b>I) Principal Amount</b>	657.88	0	0	657.88
<b>ii) Interest due but not paid</b>	0	0	0	0
<b>iii) Interest accrued but not due</b>	0	0	0	0
<b>Total (i+ii+iii)</b>	657.88	0	0	657.88

**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 Mansingh Anjaria	Ms. Pooja M. Dere	
<b>1</b>	<b>Gross salary</b>			
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	6,05,400	78,600	6,84,000
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	1,14,600	2,15,400	3,30,000
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	0	0	0
<b>2</b>	<b>Stock Option</b>	0	0	0
<b>3</b>	<b>Sweat Equity</b>	0	0	0
<b>4</b>	<b>Commission</b> - as % of profit - others, specify...	0	0	0
<b>5</b>	<b>Others, please specify</b>	0	0	0
	<b>Total (A)</b>	7,20,000	2,94,000	1,01,4000
	<b>Ceiling as per the Act</b>			

**B. Remuneration to other directors- N.A.**

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD – NIL**

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

**Annexure II to the Directors' Reports**

Form No. MR-3

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015**

To,  
The Board of Directors,  
DYNACONS TECHNOLOGIES LIMITED  
CIN: L72900MH2009PLC191412  
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 Technologies Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation pertaining to compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally complied with the statutory provisions listed hereunder and based on the management representation, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-Not applicable as the Company has not issued any shares under ESOP during the financial year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not applicable;
  - (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 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 issued by The Institute of Company Secretaries of India. Not notified for the financial year 2014-2015 and hence not applicable for the period under review.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines mentioned above. As represented by the management, adequate steps were taken to appoint Company Secretary. However, no Company Secretary was appointed for the period under review.

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 responded to notices for demands, claims, penalties etc levied by various statutory, regulatory authorities and initiated actions for corrective measures, wherever necessary.

I further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines. During the audit period, the promoter and promoter group of Company entered in to Share Purchase Agreement (SPA) dated August 8, 2014 with Mr. Arun Govil. Mr. Govil gave an Offer to the equity shareholders of the Company (other than parties to the Share Purchase Agreement) to acquire 2, 03, 90,006 equity shares of the Company of face value of Rs. 1 each representing in aggregate 26.00% of the paid up equity share capital and voting capital of the Target Company at a price of Rs. 1.30/- (Rupee one and Thirty Paise only) per fully paid up equity share. The open offer was open from February 26, 2015 to March 12, 2015.

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

Date : August 31, 2015  
Place : Mumbai

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



To  
 The Board of Directors,  
 Dynacons Technologies Limited  
 CIN: L72900MH2009PLC191412  
 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  
 CP No.:8197

Date : August 31, 2015  
 Place : Mumbai

### **Annexure III to the Directors' Reports**

#### **FORM NO. AOC -2**

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.  
 There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis.
2. Details of contracts or arrangements or transactions at Arm's length basis.  
 The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2015 are as follows:

<b>Name of related party</b>	<b>Nature of relationship</b>	<b>Duration of contract</b>	<b>Salient terms (1)</b>	<b>Amount (In lakh)</b>
M/s S.P. Corporation	Promoter Firm	Ongoing	As per Agreement	1.15
Mr. Shirish M. Anjaria	Common Director	Ongoing	As per Resolutions	7.20

For **Dynacons Technologies Ltd.**

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

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

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

# DYNACONS

## Technologies Ltd.

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	13.33

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

Name of Person	% Increase in remuneration
Shirish Anjaria	NIL

(c) The percentage increase in the median remuneration of employees in the financial year : (79%)

Percentage in bracket represents negative percentage.

(d) The number of permanent employees on the rolls of company: 34

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

On an average, employees received an increase of 9%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

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

Particulars	₹/lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	10.09
Revenue from operations	3595.73
Remuneration (as % of revenue)	0.28%
Profit before tax (PBT)	18.74
Remuneration (as % of PBT)	53.83%

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

Particulars	Unit	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	Variation %
Closing rate of share at BSE	₹	2.95	0.41	619.51
Closing rate of share at NSE	₹	2.90	0.41	607.32
EPS(consolidated)	₹	0.01	0.01	3.64
Market capitalization	₹/Lakhs			
BSE		2,313.48	321.53	619.51
NSE		2,274.27	321.53	607.32
Price Earnings Ratio	Ratio			
BSE		239.77	34.54	594.26
NSE		235.70	34.54	582.49

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

The average increase in salaries of employees other than managerial personnel in 2014-15 was 9%. Percentage increase in the managerial remuneration for the year was NIL

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

Particulars	Chief Executive Officer	Key Managerial Personnel
Remuneration	7.20	2.89
Revenue from operations	3,595.73	3,595.73
Remuneration (as % of revenue)	0.20%	0.08%
Profit before tax (PBT)	18.74	18.74
Remuneration (as % of PBT)	38.43%	15.40%

- (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 **Dynacons Technologies Ltd**

**Shirish M. Anjaria**  
Chairman and Managing Director  
**DIN:** 00444104

**Parag Dalal**  
Director  
**DIN:** 00409894

**Place:** Mumbai

**Date :** August 31, 2015

## CORPORATE GOVERNANCE REPORT

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

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

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

Dynacons firmly believes in adopting the 'best practices' that are followed in the area of Corporate Governance and has consistently endeavored to practice good Corporate Governance. The Company's philosophy on corporate governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, vendors, creditors and employees.

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. Dynacons believes that all its operations and actions must serve the underlying goal of long term value creation for its shareholders and its investors.

### 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.

#### Composition and category

The present strength of Board of Directors is **SEVEN**. The Board of Directors of your Company presently comprise of an Executive Chairman Cum Managing Director, two Non-Executive Directors and Four Independent Directors. The Independent Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

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

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

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

The Company has an Executive Chairman and the numbers of Independent Directors are more than half of the total number of Directors. The Company, therefore, meets with the requirements of Clause 49 (1) (A) of the Listing Agreement with the stock exchanges.

As required under Section 149(3) of the Companies Act, 2013, 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 Meetings Attended	No. of other Directorship	No. of Membership of other Board Committee
Mr. Shirish M. Anjaria	Chairman and Managing Director	Yes	9	1	-
Mr. Parag J. Dalal	Non-Executive & Non-Independent Director	Yes	9	1	-
Mr. Dharmesh S. Anjaria	Non-Executive & Non-Independent Director	Yes	9	1	-
Mr. Dilip P. Palicha	Non-Executive & Independent Director	No	7	1	3
Mr. Jitesh Jain	Non-Executive & Independent Director	Yes	8	-	3
Mr. Viren C. Shah	Non-Executive & Independent Director	No	7	1	3
*Mrs. Archana Phadke	Non-Executive & Independent Director	No	1	-	-

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

The Number of Directorships and the positions held on Board, Committees by the Directors are in conformity with the limits on the number of Directorships and Board committee positions as laid down in the Act and the Listing Agreement.

**Nine** Board Meetings were held during the year 2014-2015. The Board Meetings are held at the Registered Office of the Company.

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

May 29, 2014, August 8, 2014, August 13, 2014, September 03, 2014, October 1, 2014, November 11, 2014, February 13, 2015, February 23, 2015 and March 27, 2015.

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

### 3. AUDIT COMMITTEE

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

The Company complies with the provisions of Section 177 of the Companies Act, 2013, as well as the listing agreement pertaining to the Audit Committee and its functioning. The members of the Audit Committee and their attendance at committee meetings are as under:

Name of The Director	Category	No. of Meetings attended
Mr. Dilip Palicha	Non-Executive & Independent Director	6
Mr. Viren Shah	Non-Executive & Independent Director	6
Mr. Jitesh Jain	Non-Executive & Independent Director	5

The Committee is presently chaired by Mr. Jitesh Jain, Chartered Accountant having more than a decade of varied experience in the fields of Bank, Government and Corporate Audits, Project Preparation and Reporting, Management Consultancy and Finance and by qualification he is a B. Com., F. C. A., D.I.S.A. All the members of the Committee are Independent Directors having knowledge of Finance, Accounts and Company Law.

The Audit Committee met **Six** times during the financial year 2014-2015 on the following date:

May 29, 2014, August 13, 2014, September 3, 2014, November 10, 2014, February 13, 2015 and February 23, 2015.

The terms of reference of the Audit Committee includes:-

- Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- 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.
- Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following:
  - Any change in accounting policies and practices.
  - Compliance with accounting standards.
  - Major accounting entries based on exercise of judgement by management
  - Matters required to be included in the Director's Responsibility Statement.
  - Significant adjustment arising out of audit.
  - Qualification in draft audit report.
- 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.
- 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.
- 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. Reviewing the Company's financial and risk management policies.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

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

##### **Brief description of terms of reference**

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

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

##### **Remuneration Policy**

The Remuneration of the Executive Director is decided by the 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.

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 annual variable pay of Senior Managers is linked to the performance of the Company and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

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. Dilip Palicha	Non-Executive & Independent Director	1
Mr. Viren Shah	Non-Executive & Independent Director	1
Mr. Jitesh Jain	Non-Executive & Independent Director	1

#### Details of Remuneration to the Chairman cum Managing Director for the year ended March 31, 2015:

Name of Director	Postion	Salary
Mr. Shirish Anjaria	Chairman Cum Managing Director	₹ 7,20,000/-

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

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

##### Functions

The Shareholders Relationship Committee is chaired by Mr. Dilip Palicha. The composition of the committee re-constituted and details of the meetings attended by the Directors are given below:

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

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

During the year under review, 0 query/complaint was received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints/queries outstanding as on March 31, 2015 were Nil. The numbers of pending share transfers as on March 31, 2015 were Nil.

#### 6. RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

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

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

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

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

## **7. INDEPENDENT DIRECTORS' MEETING**

During the year under review, as required under Schedule IV to the Companies Act, 2013 and the provisions of Clause 49, the Independent Directors met on December 11, 2014, inter alia, to discuss:

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

## **8 . FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

The Independent directors of Dynacons Technologies Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per policy of the Company, with management expertise and wide range of experience. 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.dtlindia.com](http://www.dtlindia.com) to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

## **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:

- 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;
- 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.
- 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.
- 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.

## 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.

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.

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.

## 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:-

- **5<sup>th</sup> AGM** : September 30, 2014 at 3.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.

Number of Special Resolutions passed: Nil

- **4<sup>th</sup> AGM** : September 30, 2013 at 3.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.

Number of Special Resolutions passed: 2

1. Investment by FII including their sub-accounts and NRI/POI for acquisition of shares of the Company.
2. Approval of Issue of shares through preferential basis as per Capital & disclosure requirement as per Section 81(1A) of the Companies Act, 1956

- **3<sup>rd</sup> AGM** : September 28, 2012 at 3.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai-400058.

Number of Special Resolutions passed: Nil

**Extra-ordinary General Meeting (EGM)** of the Company was held on April 30, 2012 at 4.00 P.M. at 78, Ratnajyot Industrial Estate, Irla lane, Vile Parle (West), Mumbai - 400056 for Appointment of Shirish Anjaria as a Chairman cum Managing Director.

## 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.dtlindia.com](http://www.dtlindia.com)

## 14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

## 15. DISCLOSURES

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

- b) Disclosure of Accounting Treatment

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

- c) Board Disclosures - Risk Management

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

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

During the year under review, the promoter and promoter group of Company entered in to Share Purchase Agreement (SPA) dated August 8, 2014 with Mr. Arun Govil. Mr. Govil gave an Offer to the equity shareholders of the Company (other than parties to the Share Purchase Agreement) to acquire 2,03,90,006 equity shares of the Company of face value of Re. 1 each representing in aggregate 26.00% of the paid up equity share capital and voting capital of the Target Company at a price of Rs. 1.30/- (Rupee one and Thirty Paise only) per fully paid up equity share. The open offer was open from February 26, 2015 to March 12, 2015. Details are available on SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

- e) Management Discussion and Analysis Report

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

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

- g) A qualified 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 reviewed these procedures periodically as per guidelines of SEBI / Stock Exchange.

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

## j) Shareholders

- (i) The Company has sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.
- (ii) Mr. Parag Dalal is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (iii) Ms. Archana Phadke was appointed as an Additional Director and being eligible, she has given the consent to continue as director of the Company. She is being regularized in the ensuing Annual General Meeting of the Company. Her brief profile is published in the Annual Report.

**16. CEO Certification**

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

**17. COMPLIANCE ON CORPORATE GOVERNANCE**

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

**18. MEANS OF COMMUNICATION**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are widely published in Leading newspapers and local language newspapers. After adoptions by the Board of Directors in their Board Meeting the financial results, official news releases are posted on the company's website: [www.dtlindia.com](http://www.dtlindia.com). The Management Discussion and Analysis Report is a part of the Annual Report for the year.

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

- Date and Time	September 30, 2015 at 4:30 P.M.
- Venue	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai - 400058

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

Financial Reporting for quarter ending: -

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

**19.3 Book Closure Date**

24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015. (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	534674
The National Stock Exchange of India Ltd.	DYNATECH
(b) Listing of Global Depository Receipts	N.A.
(c) Demat ISIN numbers in NSDL & CDSL	INE741L01018
(d) Annual listing fees for the year 2015-2016 have been duly paid to all the above Stock Exchanges.	

## 19.6 Stock Market Data

Month	Bombay Stock Exchange (BSE) (in Rs.) (₹)		National Stock Exchange (NSE) (in Rs.) (₹)	
	Month's high price	Month's low price	Month's high price	Month's low Price
Apr-2014	0.41	0.31	0.55	0.30
May-2014	0.34	0.27	0.50	0.25
Jun-2014	0.66	0.35	0.90	0.40
Jul-2014	0.78	0.50	0.80	0.40
Aug-2014	1.02	0.52	1.15	0.45
Sep-2014	2.82	1.07	2.50	1.20
Oct-2014	4.49	2.96	3.90	2.60
Nov-2014	4.10	2.85	4.00	2.80
Dec-2014	3.60	2.58	3.50	2.65
Jan-2015	3.32	2.14	3.35	2.15
Feb-2015	3.75	2.04	3.45	2.05
Mar-2015	3.85	2.40	3.80	2.45

## 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 : 022-40430365/4  
 Fax: 022-28475207

## 19.8 Share Transfer System :

The Company's shares shall be 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 dematted or returned within the time prescribed by the authorities.

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

No of Equity Shares	No of Folios	% of Total	Total Holding in ₹	% of Total
1-5000	14733	93.57	12784896	16.30
5001-10000	577	3.66	4128394	5.27
10001-20000	229	1.45	3271959	4.17
20001-30000	88	0.56	2269228	2.89
30001-40000	22	0.14	786392	1.00
40001-50000	23	0.15	1081586	1.38
50001-100000	37	0.24	2548768	3.25
100001- 500000	28	0.18	6355380	8.11
500001- 1000000	1	0.01	982222	1.25
1000001- 5000000	5	0.03	10214875	13.02
10000001- 9999999999	2	0.01	33999400	43.36
<b>Total</b>	<b>15745</b>	<b>100.00</b>	<b>78423100</b>	<b>100.00</b>

**19.10 Shareholding of Directors**

Sr.No.	Name of Directors	No. of Shares	Percentage (%)
1.	Mr. Shirish Anjaria	Nil	Nil
2.	Mr. Dharmesh Anjaria	Nil	Nil
3.	Mr. Parag Dalal	Nil	Nil
4.	Mr. Dilip Palicha	Nil	Nil
5.	Mr. Jitesh Jain	Nil	Nil
6.	Mr. Viren Shah	Nil	Nil
7.	Mrs. Archana Phadke	600	0.00

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

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
7,84,23,100	3,28,400	0.42	78,094,700	99.58

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

Category	No of Shares held	Percentage of Shareholding
Clearing member	207017	0.26%
Corporate Bodies	2628075	3.35%
Corporate Bodies (Promoter Co)	15347968	19.57%
NRIs	20135776	25.68%
Promoters / Directors	8460216	10.79%
Public	27271580	34.77%
Relatives of Directors	4372468	5.58%
<b>Total</b>	<b>78423100</b>	<b>100.00</b>

**19.13 Capital of Company**

: The authorized and paid-up capital of your Company is Rs. 80,000,000 and 78,423,100 respectively.

**19.14 Outstanding GDRs/ADRs**

: **N.A.**

**19.15 Compliance Officer**

**: Dharmesh S. Anjaria**

**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 Technologies Ltd.**  
**CIN : L72900MH2009PLC191412**  
78, Ratnajyot Ind. Estate,  
Irla Lane, Vile Parle (west),  
Mumbai – 400 056  
Email: investor@dtlindia.com  
Cont No. 022-66889900

**19.17 Corporate Ethics:**

The consistent endeavor of Dynacons Technologies 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.

**May 29 , 2015**

**The Board of Directors  
Dynacons Technologies Ltd  
Mumbai**

As required under Clause 49 (V) of the Listing Agreement with Indian Stock Exchanges, we hereby certify that:

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

For **Dynacons Technologies Ltd.**

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

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The Board of Directors  
**Dynacons Technologies Ltd.**  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by Dynacons Technologies Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information & according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

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

**Place** : Mumbai  
**Dated** : May29 , 2015

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

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company - [www.dtlindia.com](http://www.dtlindia.com).

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2015.

For **Dynacons Technologies Ltd.**

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

**Date** : May 29, 2015  
**Place** : Mumbai

---



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF DYNACONS TECHNOLOGIES LIMITED****Report On The Financial Statements**

We have audited the accompanying standalone financial statements of **DYNACONS TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

# DYNACONS

Technologies Ltd.

---

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statement.
  - ii. The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There was no amount required to be transferred to the Investors Education and Protection Fund by the Company during the year ended March 31, 2015.

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

**Chandahas K. Palan**  
**Proprietor**  
Membership No: 100741  
Place : Mumbai  
Dated : May 29, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT****DYNACONS TECHNOLOGIES LIMITED  
ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015**

(Referred to in paragraph (2) of our report of even date)

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

<b>Particulars</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>	<b>Amount ( ₹ Lakhs)</b>
Income Tax	A.Y.12-13	Income Tax To 9(3)(2)	53,870/-

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

# **DYNACONS**

Technologies Ltd.

---

8. The Company does not have any accumulated losses and has not incurred any cash losses during the current financial year and the immediately preceding financial year.
9. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks and financial Institutions.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or Financial Institutions.
11. According to the information and explanations given to us, the Company did not avail any term loan during the year.
12. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not utilized funds raised on short-term basis for long term investment and vice versa.
13. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

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

**Place :** Mumbai  
**Dated :** May 29, 2015

**Dynacons Technologies Ltd.**  
**Balance Sheet as at 31<sup>st</sup> March, 2015**

(₹ in Lakhs)

Particulars	Note No.	As at 31 Mar, 2015	As at 31 Mar, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	784.23	784.23
(b) Reserves and surplus	2	1,795.73	1,808.72
		<u>2,579.96</u>	<u>2,592.95</u>
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	3	76.83	80.99
(b) Long-term provisions	4	4.97	4.07
		<u>81.80</u>	<u>85.06</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	657.88	660.75
(b) Trade payables	6	426.92	380.64
(c) Other current liabilities	7	30.39	16.57
		<u>1,115.20</u>	<u>1,057.96</u>
<b>TOTAL</b>		<u><u>3,776.95</u></u>	<u><u>3,735.98</u></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible assets	8	317.58	373.22
		<u>317.58</u>	<u>373.22</u>
(b) Non-current investments	9	500.00	500.00
(c) Long-term loans and advances	10	995.52	998.73
(d) Other Non-current Assets	11	1.73	1.73
		<u>1,814.83</u>	<u>1,873.68</u>
<b>2 Current assets</b>			
(a) Inventories	12	398.13	590.36
(b) Trade receivables	13	1,406.81	1,138.02
(c) Cash and Bank Balances	14	153.30	128.75
(d) Short-term loans and advances	15	1.97	0.75
(e) Other current assets	16	1.92	4.43
		<u>1,962.12</u>	<u>1,862.30</u>
<b>TOTAL</b>		<u><u>3,776.95</u></u>	<u><u>3,735.98</u></u>

Notes on Financial Statements

1-24

**As per our report of even date attached**

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

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

**Place :** Mumbai  
**Date :** May 29, 2015

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

**Shirish Anjaria**  
Chairman cum Managing Director

**Parag Dalal**  
Director

**Dharmesh Anjaria**  
Director

**Dynacons Technologies Ltd.**  
**Profit and Loss Statement for the year ended 31<sup>st</sup> March, 2015**

(₹ in Lakhs)

Particulars	Note No.	For the period ended 31 Mar, 2015	For the period ended 31 Mar, 2014
<b>1 INCOME</b>			
(a) Revenue from Operations	17	3,595.73	3,183.81
(b) Other income	18	10.45	4.41
<b>2 Total revenue</b>		3,606.18	3,188.22
<b>3 EXPENSES</b>			
(a) Purchases of Stock-in-Trade	19	3,140.85	3,011.53
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	192.22	(94.08)
(c) Employee benefits expense	21	51.43	39.30
(d) Finance costs	22	83.86	86.28
(e) Depreciation and amortisation expense	8	78.72	93.31
(f) Other expenses	23	40.35	35.65
<b>4 Total expenses</b>		3,587.44	3,171.98
<b>5 Profit / (Loss) before tax</b>		18.74	16.24
<b>6 Tax expense:</b>			
(a) Current tax		3.60	3.10
(b) Deferred tax		5.49	3.83
		9.09	6.93
<b>7 Profit for the year</b>		9.65	9.31
<b>8 Earnings per share (of ₹ 1/- each):</b>			
Basic and Diluted (in ₹)		0.01	0.01
Notes on Financial Statements	1-24		

**As per our report of even date attached**

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

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

**Place :** Mumbai  
**Date :** May 29, 2015

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

**Shirish Anjaria**  
Chairman cum Managing Director

**Parag Dalal**  
Director

**Dharmesh Anjaria**  
Director

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

(₹ in Lakhs)

Particulars	For the period ended 31 Mar, 2015	For the period ended 31 Mar, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before Tax and extraordinary items</b>	18.74	16.24
Add: Depreciation	78.72	93.31
(Profit)/Loss on sale of Fixed Assets	2.40	2.16
Interest paid	83.86	86.28
	164.98	181.74
<b>Operating profit before working Capital</b>	183.72	197.97
Changes in current assets and liabilities		
(Increase)/Decrease in Inventories	192.22	(94.08)
(Increase)/Decrease in Trade & Other Receivable	(263.49)	(424.58)
Increase/(Decrease) in Current Liabilities & Provision	54.53	260.35
	(16.74)	(258.31)
Cash Generated from Operations	166.98	(60.34)
Taxes paid	0.80	0.80
<b>Net Cash Flow from operating activities</b>	167.78	(59.54)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(57.77)	(111.76)
Net Cash Used for Investing Activities	(57.77)	(111.76)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital	0.00	190.00
Interest Paid	(83.86)	(86.28)
Net cash From Financing Activities	(83.86)	103.72
Net Increase in Cash and Cash Equivalents (A+B+C)	24.55	(69.18)
Cash and Cash Equivalents (Opening Balance)	128.75	197.93
Cash and Cash Equivalents (Closing Balance)	153.30	128.75
	24.55	(69.18)

**Notes**

- Components of cash and cash equivalents include bank balances in current account as disclosed under Note 14 of the accounts
- Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) "Cash Flow Statement" by The Institute of Chartered Accountants of India.
- Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

**As per our report of even date attached**

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

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

**Place :** Mumbai  
**Date :** May 29, 2015

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

**Shirish Anjaria**  
Chairman cum Managing Director

**Parag Dalal**  
Director

**Dharmesh Anjaria**  
Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### SIGNIFICANT ACCOUNTING POLICIES

#### Company Overview

Dynacons Technologies Limited is an Information Technology Company engaged in providing a comprehensive range of products to customers.

### SIGNIFICANT ACCOUNTING POLICIES :

#### 1. Basis of preparation of financial statements

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 financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provision for doubtful debts, provision for income tax, accounting for contract costs expected to be incurred to complete software development and the useful lives of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from such estimates.

#### 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 the sale of software products is recognised when the sale has been completed and the title has been passed to the client.

#### 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.

#### 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. 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.



## 9. 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.

## 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 - Servers / Storages	3
- Computers - Desktops / Laptops	6
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 shall be 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 24.1. Contingent assets are not recognised in the financial statements.

## 18. Service tax input credit

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

## 19. Operating Cycle

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

## 20. Impairment

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

## 21. Leases

### Operating Lease

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

**Finance Lease**

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

**22. Earnings per share**

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

# DYNACONS

Technologies Ltd.

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

(₹ in Lakhs)

Particulars	As at	As at
	31 March, 2015	31 March, 2014
<b>1 SHARE CAPITAL</b>		
(a) Authorised Share Capital 80,000,000 Equity shares of ₹ 1/- each (Previous Year 80,000,000 Equity shares of ₹ 1/- each.)	800.00	800.00
(b) Issued, Subscribed and Paid up : 78,423,100 Equity shares of ₹ 1/- each (Previous Year 78,423,100 Equity shares of ₹ 1/- each.)	784.23	784.23

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 (a) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at	As at
	31 Mar, 2015	31 Mar, 2014
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	78,423,100.00	59,423,100.00
Additions during the year	-	19,000,000.00
Equity Shares at the end of the year	78,423,100.00	78,423,100.00

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

Name of the Shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares Hold	% Holding	Number of Shares Hold	% Holding
Dynacons Systems & Solutions Limited	-	-	15,000,000	19.13%
Arun Govil	47,190,552	60.17%	19,000,000	24.23%

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

1.4 The company has only one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

1.5 No bonus shares have been issued to equity share holders since incorporation.

1.6 No equity share shares been bought back since incorporation.

<b>2</b>	<b>RESERVES &amp; SURPLUS</b>		
(a)	<b>General reserve</b>		
	As per last Balance Sheet	1,769.18	1,769.18
(b)	<b>Surplus in Statement of Profit and Loss</b>		
	As per last Balance Sheet	39.54	30.23
	Add: Profit for the year	9.65	9.31
	Less : Appropriations	(22.65)	0.00
	( Adjustment relating to Fixed Assets (Refer Note No. 8.1)		
	Closing Balance	26.55	39.54
	<b>Total</b>	<b>1,795.73</b>	<b>1,808.72</b>
<b>3</b>	<b>DEFERRED TAX LIABILITY NET</b>		
	Deferred Tax Liability		
	Related to fixed assets	77.81	81.62
	Deferred Tax Assets		
	Disallowances under the Income Tax Act, 1961	0.98	0.63
	<b>Total</b>	<b>76.83</b>	<b>80.99</b>
<b>4</b>	<b>LONG TERM PROVISIONS</b>		
(a)	Provision for employee benefits:		
	Provision for other defined benefit plans (Refer Note 21.1)	4.97	4.07
	<b>Total</b>	<b>4.97</b>	<b>4.07</b>
<b>5</b>	<b>SHORT TERM BORROWINGS</b>		
	Secured		
	Working Capital Loans		
	From banks	657.88	660.75
	<b>Total</b>	<b>657.88</b>	<b>660.75</b>
<b>5.1</b>	Working capital loans include Discounting of Bills Limits and are secured by hypothecation of invoices and delivery challans duly acknowledged by the customers along with Bill of Exchange duly accepted by the Drawee		
<b>6</b>	<b>TRADE PAYABLES</b>		
	Micro, Small and Medium Enterprises	-	-
	Others	426.92	380.64
	<b>Total</b>	<b>426.92</b>	<b>380.64</b>
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Other Payables*	30.39	16.57
	<b>Total</b>	<b>30.39</b>	<b>16.57</b>

\* Includes Statutory Dues and Others

## 8 FIXED ASSETS

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

Sr No.	Particulars	Gross Block				Depreciation				Net Block		
		As at 01-04-2014	Addition during the year	Deduction during the year	As at 31-03-2015	As at 01-04-2014	Addition during the year	Adjustments	Deduction during the year	As at 31-03-2015	WDV as on 31-03-2015	WDV as on 31-03-2014
<b>I</b>	<b>Tangible Assets</b>											
1	Furnitures & Fixtures	2.22	-	-	2.22	1.67	0.08	0.21	-	1.96	0.26	0.55
2	Vehicles (Cars)	12.25	-	-	12.25	7.60	2.33	0.41	-	10.34	1.91	4.65
3	Office Equipment	2.97	-	-	2.97	0.81	0.65	1.17	-	2.63	0.34	2.16
4	Computer	542.94	103.76	78.15	568.55	177.08	75.67	30.50	29.76	253.49	315.06	365.87
	Total	560.38	103.76	78.15	585.99	187.15	78.72	32.29	29.76	268.41	317.58	373.22
	Previous Year	530.37	135.96	105.96	560.38	173.45	93.31	-	79.60	187.15	373.22	356.92

Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of assets as disclosed in Accounting Policy on Depreciation. Accordingly the unamortised carrying value is being depreciated over the period the revised / remaining useful lives. The written down value of the Fixed Assets whose lives have expired as at 1<sup>st</sup> April, 2014 have been adjusted net of tax, in the opening balance Profit & Loss Account amounting to 22.65 lakhs.

## 9 NON-CURRENT INVESTMENTS

### A. Trade Investments

#### In Equity Shares - Unquoted, fully paid up

Ganpati Intradex Pvt Ltd	500.00	500.00
(50,00,000 (Previous year 50,00,000) Equity Shares of ₹ 10 each, fully paid up)		

<b>Aggregate value of Unquoted Investments</b>	<b>500.00</b>	<b>500.00</b>
--	---------------	---------------

## 10 Long Term Loans And Advances

(Unsecured and considered good)

Advance income tax (Net of provisions)	2.91	2.52
Other loans and advances	992.61	996.21

<b>Total</b>	<b>995.52</b>	<b>998.73</b>
--------------	---------------	---------------

## 11 OTHER NON-CURRENT ASSETS

Duties & Taxes	1.73	1.73
----------------	------	------

<b>Total</b>	<b>1.73</b>	<b>1.73</b>
--------------	-------------	-------------

## 12 INVENTORIES

Stock-in-trade	398.13	590.36
----------------	--------	--------

<b>Total</b>	<b>398.13</b>	<b>590.36</b>
--------------	---------------	---------------

## 13 TRADE RECEIVABLES

(Unsecured and Considered Good)

Over six months	16.02	11.86
Other Trade receivables	1,390.78	1,126.16

<b>Total</b>	<b>1,406.81</b>	<b>1,138.02</b>
--------------	-----------------	-----------------

<b>14</b>	<b>CASH AND BANK BALANCE</b>		
	Cash on hand	1.30	10.92
	Balances with banks :		
	In current accounts	32.44	4.90
	In deposit accounts	119.55	112.93
	<b>Total</b>	<b>153.30</b>	<b>128.75</b>
	* Includes deposits of ₹ Nil (Previous year ₹ NIL) with maturity of more than 12 months		
<b>15</b>	<b>SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)</b>		
	Others*	1.97	0.75
	<b>Total</b>	<b>1.97</b>	<b>0.75</b>
	* Includes Loans and advances to employees		
<b>16</b>	<b>OTHER CURRENT ASSETS (Unsecured and Considered Good)</b>		
	Duties & Taxes	1.92	4.43
	<b>Total</b>	<b>1.92</b>	<b>4.43</b>
<b>17</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Information Technology Products	3,595.73	3,183.81
	<b>Total</b>	<b>3,595.73</b>	<b>3,183.81</b>
<b>18</b>	<b>Other Income</b>		
	Interest income	10.45	4.41
	<b>Total</b>	<b>10.45</b>	<b>4.41</b>
18.1	Interest income comprises:		
	Interest from banks on: deposits	10.45	4.41
	<b>Total - Interest income</b>	<b>10.45</b>	<b>4.41</b>
<b>19</b>	<b>PURCHASES OF TRADED GOODS</b>		
	Purchases of Information Technology Products	3,140.85	3,011.53
	<b>Total</b>	<b>3,140.85</b>	<b>3,011.53</b>

<b>20</b>	<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
	Inventories (at close)		
	Finished goods	398.13	590.36
		<u>398.13</u>	<u>590.36</u>
	Inventories (at commencement)		
	Finished goods	590.36	496.28
		<u>590.36</u>	<u>496.28</u>
	<b>Total</b>	<u>192.22</u>	<u>(94.08)</u>
<b>21</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and wages	51.43	39.30
		<u>51.43</u>	<u>39.30</u>

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

	<b>Particulars</b>	<b>2015 Amount (₹)</b>	<b>2014 Amount (₹)</b>
<b>I.</b>	<b>Assumptions :</b>		
	Discount Rate	8.08%	9.31%
	Salary escalation rate	4.00%	4.00%
<b>II.</b>	<b>Table Showing Change in Benefit Obligation :</b>		
	Liability at the beginning of the year	2.10	2.09
	Interest Cost	NIL	NIL
	Current Service Cost	1.08	0.01
	Past Service Cost (Non Vested Benefit)	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL
	Benefit Paid	NIL	NIL
	Balance	3.18	2.10
	Actuarial (gain)/loss on obligations	NIL	NIL
	Liability at the end of the year	3.18	2.10
<b>III.</b>	<b>Amount Recognized in the Balance Sheet</b>		
	Liability at the end of the year	3.18	2.10
	Fair Value of Plan Assets at the end of the year	NIL	NIL
	Difference	3.18	2.10
	Unrecognized Past Service Cost	NIL	NIL
	Amount Recognized in the Balance Sheet	3.18	2.10
<b>IV.</b>	<b>Expenses Recognized in the Income Statement</b>		
	Current Service Cost	1.08	0.01
	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	1.08	0.01

<b>22</b>	<b>FINANCE COST</b>		
	Interest expense	83.86	86.28
	<b>Total</b>	<u>83.86</u>	<u>86.28</u>



**23 Other Expenses**

Auditors Remuneration - For Services as Auditors	1.60	1.21
Bank Charges	11.38	11.02
Business Promotion Expenses	0.67	0.64
Communication Expenses	0.36	0.41
Conveyance and Travelling Expenses	1.82	0.86
Electricity Expenses	2.97	2.18
Legal and Professional charges	4.94	2.15
Loss on sale/write-off of Assets	2.40	2.16
Membership and Subscriptions	0.01	0.05
Miscellaneous Expenses	5.22	5.57
Motor Car Expenses	3.65	3.67
Printing and Stationary Expenses	1.01	0.58
Rates & Taxes	1.20	1.18
Rent Charges	0.90	1.20
Repairs & Maintenance - Building	0.25	0.19
Repairs & Maintenance - Others	0.52	0.30
Staff Welfare Expenses	1.21	0.54
Transportation Expenses	0.24	1.73

**Total**

40.35

35.65

**24. 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	A.Y.12-13	Income Tax To 9(3)(2)	53,870/-

b) Guarantees given by the company's bankers : NIL

**24.2 Expenditure in Foreign Currency**

Particulars	2015 (₹/lakhs)	2014 (₹/lakhs)
Travelling Expenses	₹ 0.77	NIL

**24.3 Auditors Remuneration**

Particulars	2015	2014
Statutory Audit Fees	₹ 1.60	₹ 1.21

**24.4 Segment Information**

The company operates in the single segment of Information Technology Products.

## 24.5 Related Party Disclosures

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

S. P. Corporation	Firm in which Directors have substantial interest.
Shirish M. Anjaria	Chairman cum Managing Director
Parag J. Dalal	Director
Dharmesh S. Anjaria	Director
Trigem Infosolutions Limited	Company over which relatives of key Managerial Personnel are able to exercise significant influence
Dynacons Systems & Solutions Limited	Company over which key Managerial Personnel are able to exercise significant influence

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

Party	Nature of Payment	2015 (₹/lakhs)	2014 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	₹ 0.90	₹ 1.20
M/s S.P. Corporation	Reimbursement of Expenses	₹ 0.25	₹ 0.27
Mr. Shirish M. Anjaria	Remuneration	₹ 7.20	₹ 7.20
Dynacons Systems & Solutions Limited	Investment in Share Capital	NIL	₹ 150.00
Dynacons Systems & Solutions Limited	Amount receivable / (payable) as at year end	NIL	NIL

## 24.6 Earnings per Share (Basic and Diluted)

Particulars	Units	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit after Tax	(₹/lakhs)	9.65	9.31
No of Equity Shares	Nos.Lakhs	78,423,100	78,423,100
Earnings Per Share (of paid up Value of ₹ 1 each)	₹	0.01	0.01

## 24.7 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 ₹ 0.90 (Previous year ₹ 1.20).

## 24.8 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 ₹ 0.89. (Previous year ₹ 0.86).

**24.9 Other Notes**

- a) 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.
- b) 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**

---

**As per our report of even date**For **PALAN & CO.**

Firm Regn. No. : 133811W

Chartered Accountants

**For and on behalf of the Board of Directors****C. K. Palan**

Proprietor

Membership No: 100741

**Shirish Anjaria**

Chairman cum Managing Director

**Parag J . Dalal**

Director

**Place :** Mumbai**Date :** May 29, 2015**Dharmesh Anjaria**

Director

**Book-Post**

*If undelivered, please return to:*



**DYNAGONS**  
Technologies Ltd.

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

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
**PROVISIONAL BALANCE SHEET AS AT 31ST MARCH 2016**

Particulars	Notes	31st March 2016	31st March 2015
		Amount in Rs.	Amount in Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	11,28,12,080	9,91,39,460
Reserves and Surplus	4	32,92,97,351	26,34,51,112
Share application money pending allotment			3,07,00,000
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	10,33,88,710	9,94,11,729
Deferred Tax Liabilities (Net)	6	64,12,680	34,12,681
Long Term Provisions	7	1,12,80,274	1,31,22,013
Other Long Term Liabilities	8	10,23,00,000	9,50,96,859
<b>Current Liabilities</b>			
Bank Borrowings	9	49,56,85,363	49,94,98,884
Trade Payables	10	40,45,11,139	39,71,83,330
Other Current Liabilities	11	7,80,95,720	8,46,15,167
Short Term Provisions	12	1,40,52,633	86,62,987
<b>Total</b>		<b>1,65,78,35,949</b>	<b>1,59,38,94,192</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13	6,35,03,340	6,95,76,619
Long Term Loans and Advances	14	25,30,764	22,76,847
<b>Current Assets</b>			
Current Investments	15	5,00,000	25,46,419
Trade Receivables	16	1,27,50,36,542	1,23,11,26,010
Cash and Cash Equivalents	17	11,58,69,150	13,39,41,464
Short Term Loans and Advances	18	2,17,21,012	3,49,76,159
Other Current Assets	19	17,86,75,141	11,94,50,674
<b>Total</b>		<b>1,65,78,35,949</b>	<b>1,59,38,94,192</b>

For Ducon Technologies (India) Pvt Ltd



*[Signature]*

Director

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
**PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**  
**31ST MARCH 2016**

Particulars	Notes	31st March 2016	31st March 2015
		Amount in Rs.	Amount in Rs.
Revenue from operations	20	2,99,33,62,223	2,59,05,83,718
Other Income	21	2,12,52,593	1,72,05,578
<b>Total Revenue</b>		<b>3,01,46,14,816</b>	<b>2,60,77,89,296</b>
<b>Expenses:</b>			
Cost of materials consumed	22	2,75,32,60,191	2,39,53,90,064
Employee benefit expenses	23	9,30,47,203	6,93,56,003
Finance costs	24	7,83,82,963	7,93,03,938
Depreciation and amortization expense	15	74,77,059	86,64,285
Other expenses	25	3,54,42,664	3,61,90,108
<b>Total Expenses</b>		<b>2,96,76,10,080</b>	<b>2,58,94,04,398</b>
Profit before exceptional and extraordinary items and tax		4,70,04,736	1,83,54,898
Exceptional and extraordinary items		-	-
<b>Profit/(loss) before tax</b>		<b>4,70,04,736</b>	<b>1,83,54,898</b>
<b>Less: Tax expense:</b>			
(1) Current tax		1,57,00,000	72,00,000
(3) Deferred tax liability/(Asset)		30,24,758	(11,03,480)
<b>Profit/(Loss) for the period</b>		<b>2,82,79,978</b>	<b>1,22,88,378</b>
Earnings per Share - Basic	26	2.84	1.24
- Diluted		1.24	1.24

For Dicon Technologies (India) Pvt Ltd



*[Handwritten Signature]*

Director

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31st March 2016

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>3 Share capital</b>		
<b>Authorised</b>		
2,00,00,000 (Previous year 1,00,00,000) Equity Shares of Rs. 10/- each	20,00,00,000	10,00,00,000
	<b>20,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and fully paid up</b>		
1,12,84,208 (Previous Year 99,43,946) Equity Shares of Rs.10/- each fully paid up	11,28,42,080	9,94,39,460
	<b>11,28,42,080</b>	<b>9,94,39,460</b>

**b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

	31st March 2016		31st March 2015	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	99,43,946	9,94,39,460	99,43,946	9,94,39,460
Issued during the period	13,40,262	1,34,02,620	-	-
Bought-back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,12,84,208</b>	<b>11,28,42,080</b>	<b>99,43,946</b>	<b>9,94,39,460</b>

**c. Term/rights attached**

**Equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**e. Aggregate numbers of bonus shares issued, share issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date:**

NIL.

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31st March 2016

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>4 Reserves and surplus :</b>		
<b>General reserve</b>		
Balance as per last financial statements	22,25,00,000	21,25,00,000
Add: Transfer from statement of profit and loss	-	1,00,00,000
<b>Closing Balance</b>	<b>22,25,00,000</b>	<b>22,25,00,000</b>
<b>Securities Premium</b>		
Balance as per last financial statements	2,67,15,700	2,67,15,700
Add: Current Year	4,69,66,260	-
<b>Closing Balance</b>	<b>7,36,81,960</b>	<b>2,67,15,700</b>
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	1,42,35,412	1,51,94,092
Add: Profit / (Loss) for the Year	2,92,79,978	1,22,89,378
Less: Appropriations		
(-) Additional Depreciation on Fixed Assets (Net of Deferred Tax Asset thereon) as per Schedule II of the Companies Act, 2013	-	2,54,932
Proposed equity dividend - Dividend Rs. 0.25 per share (P.Y. Rs. 0.75 per share)	97,00,000	24,85,987
Tax on proposed equity dividend	17,00,000	5,06,088
Transferred to general reserve	-	1,00,00,000
<b>Total appropriations</b>	<b>3,14,00,000</b>	<b>1,32,47,057</b>
	<b>3,11,15,391</b>	<b>1,42,35,412</b>
	<b>32,92,67,351</b>	<b>26,34,51,112</b>
<b>5 Long term borrowings</b>		
<b>Unsecured and considered good</b>		
Directors	4,44,00,000	4,44,11,729
Others	5,89,88,710	5,50,00,000
	<b>10,33,88,710</b>	<b>9,94,11,729</b>
<b>6 Deferred Tax Liability (Net)</b>		
<b>Deferred Tax Liability</b>		
<b>Fixed Assets :</b>		
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting.	67,32,497	37,32,497
<b>Gross Deferred Tax Liability</b>	<b>67,32,497</b>	<b>37,32,497</b>
<b>Less: Deferred Tax Assets</b>		
Impact of expenditure charged to statements of profit & loss in the current year but allowed for tax purpose on payment basis	3,19,817	3,19,817
Provision for diminution in value of investment	-	-
<b>Gross Deferred Tax Assets</b>	<b>3,19,817</b>	<b>3,19,817</b>
<b>Net Deferred Tax Liability</b>	<b>64,12,680</b>	<b>34,12,680</b>



**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2016**

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>7 Long term provisions</b>		
<b>Provisions for employee benefits</b>		
Provision for Gratuity	3,20,509	3,20,509
(A)	3,20,509	3,20,509
<b>Other provisions</b>		
Provision for Retention	1,09,59,765	1,28,01,504
(B)	1,09,59,765	1,28,01,504
<b>TOTAL (A)+(B)</b>	1,12,80,274	1,31,22,013
<b>8 Other Long Term Liabilities</b>		
Trade Payables	10,23,00,000	9,50,96,859
(A)	10,23,00,000	9,50,96,859
The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any under the said Act has not been made.		
<b>9 Short term borrowings</b>		
<b>Secured Loan</b>		
Cash credit from bank	49,56,55,363	49,94,96,854
(A)	49,56,55,363	49,94,96,854
<b>Note -</b> The Cash Credit from bank is secured against hypothecation of bank debts.		
<b>10 Trade payables</b>		
<b>Trade payables (including acceptance)</b>		
Due to micro and small enterprises		
Others	40,45,11,139	39,71,83,330
(A)	40,45,11,139	39,71,83,330
The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any under the said Act has not been made.		
<b>11 Other current liabilities</b>		
Advance from customers	6,45,95,046	7,20,03,027
State related liabilities	16,22,159	17,63,080
Statutory liabilities	78,78,100	53,60,238
Other current liabilities (including security deposits)	40,00,415	54,83,822
(A)	7,80,95,720	8,46,15,167
<b>12 Short term provisions</b>		
<b>Provisions for employee benefits</b>		
Leave encashment payable	26,47,769	38,66,213
(A)	26,47,769	38,66,213
<b>Other provisions</b>		
Proposed Dividend On Equity Shares	97,00,000	24,83,987
Dividend Distribution Tax	17,00,000	3,36,088
Provision for expenses	4,861	18,04,669
(B)	1,14,04,861	47,96,744
<b>TOTAL (A) + (B)</b>	1,40,52,631	86,62,957

**DUCON TECHNOLOGIES (II) PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31st March 2016

Note 13: Fixed Assets

Particulars	Gross Block						Depreciation			Net Block	
	As on 1.04.2015	Additions	Deletions	As on 31.03.2016	Upto 1.04.2015	For the Year For the Year	For the assets sold	Upto 31.03.2016	Net Block 31.03.2016	Net Block 31.03.2015	
<b>Owed Assets</b>											
Office Premise	7,63,16,618	13,97,380	-	7,77,13,998	1,66,34,583	30,34,387	-	1,96,68,970	5,80,45,028	5,96,82,035	
Furniture & Fixtures	84,95,342	19,000	1,09,649	84,04,893	51,96,877	9,62,762	1,08,955	62,68,591	21,36,299	32,98,665	
Office Equipments	65,69,155	2,37,498	6,800	67,99,853	42,61,570	9,36,727	5,789	52,05,087	15,94,786	23,07,565	
Vehicles	67,020	-	-	67,020	56,557	3,727	-	59,284	7,736	11,163	
Computers	1,02,77,501	7,23,096	-	1,10,00,597	77,18,272	18,21,560	-	95,42,831	14,57,766	25,59,229	
Plant & Machinery & Electrical Equipments	34,33,993	-	5,56,746	25,79,247	17,18,351	3,31,306	2,67,845	23,17,502	2,61,244	17,17,412	
<b>Total Current Year</b>	<b>10,51,61,829</b>	<b>23,76,974</b>	<b>9,73,195</b>	<b>10,65,65,608</b>	<b>3,55,85,209</b>	<b>70,93,469</b>	<b>3,83,590</b>	<b>4,30,62,268</b>	<b>6,35,03,348</b>	<b>6,95,76,620</b>	

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2016**

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>14 Long term loans and advances</b>		
<b>Security deposits</b>		
Unsecured, considered good	25,30,765	22,76,847
	(A)	22,76,847
	25,30,765	22,76,847
	TOTAL (A)	22,76,847
	25,30,765	22,76,847
<b>15 Current investments</b>		
<b>Other investments</b>		
<b>Investment in mutual fund</b>		
14801.658 (PY 14801.658) Units of IFG ICICI Prudential Infrastructure Fund-Growth	-	5,00,000
15923.567 (PY 15923.567) Units of ING Nifty Plus Fund-Growth	-	5,00,000
12861.968 (PY 12861.968) Units of I M Basic Fund- Growth Plan	-	5,00,000
9353.312 (PY 9353.312) Units of Kotak Opportunity Fund-Growth	-	5,00,000
6149.865 (PY 6149.865) Units of Reliance Diversified Power Sector Fund-Growth	-	5,00,000
11075.914 (PY 11075.914) Units of Tata Infrastructure Fund-Growth	5,00,000	5,00,000
14885.338 (PY 14885.338) Units of S&P Sundaram DNT Pailles CAPEX opportunities Fund-Growth	-	5,00,000
	5,00,000	35,00,000
Less: Diminution in value of investment		9,53,581
	5,00,000	25,46,419
<b>16 Trade receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	13,25,00,000	28,30,10,951
<b>Outstanding for a period less than six months from the date they are due for payment</b>		
Unsecured, considered good	1,14,25,36,542	94,81,15,059
	1,27,50,36,542	1,23,11,26,010
	1,27,50,36,542	1,23,11,26,010

**DUCON TECHNOLOGIES (II) PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31st March 2016

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>17 Cash and cash equivalents</b>		
Balance with banks:		
In current accounts	19,11,903	1,73,95,512
Cash on hand	15,37,778	3,61,437
(A)	34,49,681	1,77,56,949
<b>Other bank balances</b>		
Deposits with original maturity of more than 3 months	11,24,20,069	11,61,64,515
Deposits with original maturity of more than 12 months	-	-
(B)	11,24,20,069	11,61,64,515
	11,58,69,150	13,39,41,464
<b>18 Short term loans and advances</b>		
<b>Unsecured</b>		
Inter-corporate loans and advances	75,00,000	2,50,00,000
Advance income tax (net of provision for taxation)	1,39,43,226	94,86,963
Loans/advances to employees	2,77,786	4,89,196
Total (A) + (B)	1,17,21,012	3,49,76,159
<b>Loans and advances due by directors and other officers, etc.</b>		
<b>Loans to employee includes</b>		
Dues from non-executive directors	-	-
Dues from other employees	2,77,786	4,89,196
<b>19 Other current assets</b>		
Interest accrued on Fixed Deposits	10,23,751	10,23,751
Interest accrued on Inter-Corporate Deposits	19,80,617	19,80,617
Prepaid expenses	2,84,263	3,51,132
Other assets	17,53,86,510	11,55,95,154
	17,56,75,141	11,94,50,674

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2016**

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>20 Revenue from operations</b>		
Turnkey Projects revenue	2,99,33,62,223	2,59,05,83,718
<b>Revenue from operations (net)</b>	<b>2,99,33,62,223</b>	<b>2,59,05,83,718</b>
<b>21 Other Income</b>		
Interest income on :-		
Bank deposits	94,32,335	1,21,31,252
Other Income	1,03,33,371	50,74,326
Profit on sale of Investment	15,06,887	
	<b>2,12,52,593</b>	<b>1,72,05,578</b>
<b>22 Cost of materials consumed</b>		
Consumption of materials	2,75,32,60,191	2,39,58,90,064
	<b>2,75,32,60,191</b>	<b>2,39,58,90,064</b>
<b>23 Employee benefit expenses</b>		
Salaries, wages and bonus	9,05,97,461	6,52,07,927
Contribution to Provident Fund and other Funds	19,41,878	37,81,630
Staff welfare Expenses	5,05,864	3,66,446
	<b>9,30,47,203</b>	<b>6,93,56,003</b>
<b>24 Finance costs</b>		
Interest Expenses	7,65,91,753	6,66,53,549
Other Borrowing costs	17,91,210	1,26,20,389
	<b>7,83,82,963</b>	<b>7,93,03,938</b>

**DUCON TECHNOLOGIES (I) PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31st March 2016

Particulars	31st March 2016 Amount in Rs.	31st March 2015 Amount in Rs.
<b>25 Other Expenses</b>		
Power and fuel	30,15,655	35,45,681
Rates and taxes	4,46,665	3,59,278
Insurance	12,35,869	17,72,827
Filing fees	5,20,976	2,950
<u>Repairs and maintenance</u>		
Buildings	1,82,539	1,82,952
Plant and machinery	2,19,132	3,49,016
Others	4,49,811	5,47,207
Vehicle Expenses	26,322	63,181
Bad debts	4,459	1,90,207
Advertising and sales promotions	41,50,943	35,57,977
Membership & subscription expenses	69,386	1,52,486
Recruitment charges	72,061	2,35,719
Local Conveyance	2,52,186	1,39,983
Travelling and Marketing Expenses	1,73,15,712	1,40,35,874
Postage And Telephone Expenses	7,87,196	10,06,569
Donations	5,000	15,05,000
Printing & Stationery Expenses	1,73,208	4,31,061
Exchange Fluctuation Loss	156	4,781
Security Charges	4,24,500	3,52,919
Legal and Professional Fees	21,10,330	40,64,067
Auditor's Remuneration	15,00,000	15,00,000
Miscellaneous Expenses	23,22,742	8,59,370
Computer Expenses	1,23,701	1,64,016
Prior Period Expenses	33,715	12,47,837
	<u>3,54,42,864</u>	<u>3,61,90,106</u>
<b>26 Earning Per Share</b>		
Number of shares at the beginning of the year	99,43,946	99,43,946
Shares issued during the year	91,35,759	
Total Number of shares at the end of the year	1,90,79,705	99,43,946
Weighted average number of equity shares at 31		
March 2015	99,58,975	99,43,946
Profit/(Loss) after tax	2,82,79,978	1,22,68,378
Earnings per share (Basic & Diluted)	<u>2.84</u>	<u>1.24</u>

