

## DIRECTOR REPORT

To,

**The Members,  
Edynamics Solutions Limited**

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of your Company together with Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended, 31<sup>st</sup> March 2019.

### FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:

The highlights of financial results of your Company are as follows:

Particulars	For the Financial year ended as	For the Financial year ended as o
	on 31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
	Amount (in Rs. lacs)	Amount (in Rs. lacs)
Income	12.86	105.76
Less: Expenditure	20.14	105.46
Profit/(Loss) before taxation	(7.28)	0.30
Less: Income Tax	(0.10)	0.12
Net profit/ (Loss) after taxation	(7.38)	0.18

### FINANCIAL PERFORMANCE

During the year under review, Your Company has recorded a total income of Rs. 12.86 Lacs against Rs. 105.76 Lakh in the previous year. Profit/Loss after taxation for the financial year ended on 31<sup>st</sup> March, 2019 decreased to Rs. (7.38) Lakh as compared to Rs. 0.18 Lakh in the previous year.

### RESERVE AND SURPLUS

Rs. (7.38) lakhs is being transferred to the reserve and surplus during the financial year 2018-2019. The Balance of Reserve and surplus as on 31<sup>st</sup> March, 2019 was Rs. 993.00 Lakhs/-.

### DIVIDEND

To Plough back the profits into the business, the Board of Directors has not declared any dividend during the year.

### CHANGE IN THE NATURE OF BUSINESS

During the year, the Company has not changed its nature of business.

### DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. No amount of principal or interest was outstanding as on the date of Balance Sheet.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

### DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory

compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

## **RISK MANAGEMENT POLICY**

Therefore, in accordance with the provisions of the Companies Act, 2013, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

## **PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE**

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure to this Report.

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars mentioned in rule 5(2) of the said rule which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any Member is interest in inspecting the same, such Member may write to the Compliance officer in advance.

## **NAME OF THE COMPANIES WHICH HAVE BEEN BECOME OR CEASED TO BE ITS SUBSIDIARIES AND ASSOCIATE COMPANIES DURING THE YEAR**

Since the Company has no subsidiaries as on 31<sup>st</sup> March, 2019, provision of section 129 of the Companies Act, 2013 is not applicable.

## **STATE OF COMPANY AFFAIRS**

The Company is complying with all the applicable laws and provisions and there is no adverse action against the business operations of the Company.

## **STATUTORY AUDITORS**

In accordance with the provisions of Section 139 of the Companies Act, 2013, the Board of Directors of the company has proposed the appointment of **M/s. G.P. Keshari & Associates**, Chartered Accountants, having (**Firm registration no. 017251N**) as the statutory auditors of the Company for the financial year 2019-20.

The Board has recommended the appointment of **M/s. G.P. Keshari & Associates**, Chartered Accountants, having (**Firm registration no. 017251N**), by the shareholders at the forthcoming Annual General meeting. The Company has received a letter from **M/s. G.P. Keshari & Associates**, Chartered Accountants, confirming their eligibility under Section 141 of the companies Act, 2013.

## **AUDITORS' REPORT**

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

## **EXTRACT OF THE ANNUAL RETURN**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2019 made under the provisions of Section 92 (3) of the Act in Form MGT -9 is annexed herewith as Annexure - 1.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 314(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

There was no foreign exchange earning & outgo during the financial year under review.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year under review, the Company is not required to comply with the provisions related to Corporate Social Responsibility on the basis of its financial statement.

## **DIRECTORS & COMMITTEES**

### **a) Changes in Directors and Key Managerial Personnel**

During the Year under review, there is no change in the composition of the Board of Directors. The Board remains the same.

### **b) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and **SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**, 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 various Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and Non - Independent Directors was carried out by the Independent Directors at their separate meeting held on 31<sup>st</sup> March, 2019.

### **c) Declaration by an Independent Director(s) and re- appointment, if any**

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, and **SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**.

### **c) Formal Annual Evaluation**

Pursuant to the provisions of companies Act, 2013 and **SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**, the Board has carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

## **EXTRAORDINARY GENERAL MEETINGS DURING THE FINANCIAL YEAR 2018-19**

During the under Review, 2018-19 no Extra-ordinary General Meeting was Convened.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

### **BOARD MEETINGS**

During the year 2018-19 there were 6 (Six) Board Meetings was held. Details of the same given below:

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended
1.	30.05.2018	4	4
2.	10.08.2018	4	4
3.	20.08.2018	4	4
4.	13.11.2018	4	4
5.	01.01.2019	4	4
6.	14.02.2019	4	4

## **POSTAL BALLOT CONDUCTED DURING THE FINANCIAL YEAR 2018-19**

During the year under review, No Postal Ballot was conducted.

## **AUDIT COMMITTEE**

The Board has well-qualified Audit Committee with majority of Independent Directors including Chairman. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc.

The Audit Committee also advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with Regulation 18 of **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** and Section 177 of the Companies Act, 2013 as follows:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, there placement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - (ii) Any changes in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure to any related party transactions;
  - (vii) Qualifications in the draft audit report.
- Reviewing with the management the Quarterly and half yearly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, 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.



## **COMPOSITION**

During the year ended on 31<sup>st</sup> March, 2019, the composition of Audit Committee has been as under:

a) Mr. Vinod Kumar	(Chairman)
b) Mr. Bharat Gupta	(Member)
c) Ms. Anita Gupta	(Member)

During the financial year 2018-19, Four (4) meeting of Audit Committee was held i.e. 30.05.2018, 10.08.2018, 13.11.2018 and 14.02.2019.

\*The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Company has duly constituted Nomination and Remuneration Committee to align with the requirements prescribed under the provisions of Section 179 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

a) Mr. Vinod Kumar	(Chairman)
b) Mr. Bharat Gupta	(Member)
c) Ms. Anita Gupta	(Member)

During the financial year 2018-19, Four (4) meeting of Nomination and Remuneration Committee was held i.e. 30.05.2018, 10.08.2018, 13.11.2018 and 01.01.2019.

\*The details of the Composition of the Nomination & Remuneration Committee are given in the Corporate Governance Report.

## **TERMS OF REFERENCE**



The terms of reference of Remuneration Committee includes the following:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management/Director in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders."

## **STAKEHOLDER RELATIONSHIP COMMITTEE**

Our Company has constituted a Stakeholder Relationship Committee to redress the complaints of the shareholders. The committee currently comprises of three Directors. Mr. Vinod Kumar is the Chairman of the committee.

a) Mr. Vinod Kumar	(Chairman)
b) Mr. Vikas Saini	(Member)
d) Mr. Bharat Gupta	(Member)

During the financial year 2018-19, Four (4) meeting of Stakeholder Relationship Committee was held i.e. 30.05.2018, 10.08.2018, 13.11.2018 and 14.02.2019.

\*The details of the Composition of the Stakeholder Relationship Committee are given in the Corporate Governance Report.

## ROLE OF STAKEHOLDER RELATIONSHIP COMMITTEE

### **The Stakeholder Relationship Committee of our Board looks into:**

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

## DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

During the year, as per Section 177(9) read with Rule 7(1) of The Companies (Meeting of Board and its Powers) Rules, 2014, Company is required to establish a Vigil Mechanism for its Directors and employees. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, Company has not provided Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under notes to Accounts.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at workplace; the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are effective in the Company. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy.

**The following is a summary of Sexual Harassment complaints received and disposed off during the year:**

**a. No. of Complaints received: 0**

**b. No. of Complaints disposed off : 0**

## MANAGERIAL REMUNERATION POLICY

Provisions relating to Managerial Remuneration as per Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Board have on the recommendation of the Nomination & Remuneration Committee framed a Policy for Selection and appointment of Directors, senior management and their Remuneration.

## SECRETARIAL AUDIT REPORT AND EXPLANATION TO THE QUALIFICATIONS REPORTED IN THE REPORT

Provisions relating to Secretarial Audit as per Section 204 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **Ms. Nikita Rohilla, Company Secretary in Practice**, to undertake the Secretarial audit of the Company. The Secretarial Auditor Report provided By the Secretarial Auditor in Form No. MR-3 has been enclosed as Annexure-II. Explanation to the observations as notice in the Audit Report:

With reference to the qualifications, we wish to explain that the in future, Company will do the best to file the e-forms with the Registrar of Companies, NCT of Delhi & Haryana with in due time in order to avoid the additional

fees levied by Registrar of Companies, NCT of Delhi & Haryana for late filing and the Company is searching the best Candidate for the post of Chief Financial Officer and Company Secretary. Further the management of the company will do the best to timely comply with the compliances of SEBI (LODR) Regulations, 2015 and will timely intimate the Exchange about the events.

## **CORPORATE GOVERNANCE**

A report on Corporate Governance along with a certificate regarding the compliances with conditions of Corporate Governance as per Chapter IV of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 is annexed to this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report regarding the compliances with conditions of Corporate Governance as per Chapter IV of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 is annexed to this report.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

This is to inform you that the SEBI vide its letter SEBI HO/ISD/OW/P/2017/18183 dated August 7, 2017 has forwarded a list of 331 shell companies and Edynamics Solutions Limited is one of the 331 shell companies as mentioned in the list forward by the SEBI.

Further, Edynamics Solutions Limited made a representation before the SEBI vide its letter dated 22<sup>nd</sup> August, 2017 against the SEBI letter dated 07<sup>th</sup> August, 2017 for placing the name of the company in shell companies list.

Meanwhile, Edynamics Solutions Limited filed an appeal No. 203 of 2017 before Hon'ble Securities Appellate Tribunal. Hon'ble SAT vide order dated August 23, 2017 directed the following:-

*"As the appellant has already made a representation to SEBI against the said ex-parte order dated 7<sup>th</sup> August, 2017, Counsel for the appellant on instruction seeks to withdraw the appeal with liberty to pursue the representation filed before SEBI. Accordingly, we permit the appellant to withdraw the appeal with liberty to pursue the representation pending before SEBI.*

*SEBI is directed to dispose of the representation made by the appellant as expeditiously as possible and in any event within a period of three weeks from today. It is made clear that passing of any order on the representation made by the appellant would not preclude SEBI from further investing the matter and initiate appropriate proceedings if deemed fit."*

Further, BSE Limited vide its letter no. L/SURV/OFL/KM/COMP/535694 dated December 06, 2017 intimating about appointment of M/s. C J S Nanda & Associates, Chartered Accountants to carry out audit of your company, pursuant to the order passed by SEBI.

The matter is still pending and final order yet to be passed by SEBI.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that -

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

The board wishes to express and place on records its gratitude for the faith reposed in and cooperation extended to the company by the shareholders of the company. Your directors wish to place on record their deep sense of appreciation for the devoted and sincere services of the executives, staff and workers of the company for its success.

**Date: 26.08.2019**

**Place: New Delhi**

**By Order of the Board  
For Edynamics Solutions Limited**

**Sd/-  
Vikas Saini  
DIN: 06503769  
Director**

**Sd/-  
Anita Gupta  
DIN: 06501012  
Director**

