DYNACONS

SOLUTIONS THAT EMPOWER

ANNUAL REPORT
2012-2013

DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Shirish M. Anjaria	Chairman & Managing Director
Shri. Parag. J. Dalal	Executive Director
Shri. Dharmesh S. Anjaria	Executive Director
Shri. Mukesh P. Shah	Director
Shri. Viren Shah	Director
Shri. Vishal G. Chappar	Director

COMPANY SECRETARY
Mr. Ravishankar Singh

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

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

PRINCIPAL BANKERS
Dena Bank

AUDITORS
P. C. Ghadiali & Co.
Chartered Accountants
Mumbai.

CONTENTS

Dynacons Triumphs !!!

Emerging - IT Infrastructure Services
by CIO Choice

ChannelWorld Premier
100 honoree

Special Datacenter Award by
ChannelWorld Premier

The gone-by year has been a spectacular year where in your company won many industry accolades. The multiple awards in varied categories showcased your companies capabilities as an one stop solution for all IT needs. At the start of the year, we received recognition as Emerging - IT Infrastructure Services by CIO Choice. CIO Choice is the Voice of CIO's. The CIO's verdict for recognizing & celebrating preferred products, services & solutions.

Later in the year, we received back to back two awards for our Solutions capabilities by ChannelWorld Premier, A special award for our Datacenter capabilities and other for being a Dynamic company which undertook bold steps for flourishing in the challenging Industrial atmosphere.

DYNACONS
SOLUTIONS THAT EMPOWER

Our Tie-ups

Cisco
CISCO Business Partner

IBM
IBM Business Partner
Authorised Service Providers

HP
HP Business Partner

Microsoft
Microsoft OEM System
Silver Cometar Partner

Lenovo
Advanced Business Partner

ARUBA Networks
Business Partner

RUCKUS Wireless
Business Partner

Redhat
Business Partner

SONY
Business Partner

DELL
Preferred Partner

JUNIPER NETWORKS
Business Partner

SYMANTEC
Business Partner

NETMAGIC
Business Partner

ORACLE
Business Partner

RELIANCE COMMUNICATIONS
Business Partner

VODAFONE
Business Partner

AIRTEL
Business Partner

APPLE
Authorised Reseller

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of Dynacons Systems & Solutions Limited will be held on Monday, 30th Day, September, 2013 at 3.00 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, 2013 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. Mukesh Shah, who retires from the office of Director by rotation and being eligible, offers himself for re-appointment.

3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Shirish M. Anjaria, as Chairman and Managing Director of the Company, for a period of 3 (Three) years with effect from February 1, 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (herein referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as maybe necessary, proper or expedient to give effect to this Resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Parag J. Dalal, as Whole-time Director of the Company, designated as Executive Director of the Company, for a period of 3 (Three) years with effect from February 1, 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (herein referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as maybe necessary, proper or expedient to give effect to this Resolution."

6. To consider and,if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Dharmesh S. Anjaria, as Whole-time Director of the Company, designated as Executive Director of the Company, for a period of 3 (Three) years with effect from February 1, 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (herein referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board
For DYNACONS SYSTEMS & SOLUTIONS LTD

Shirish M. Anjaria	**Parag Dalal**
Chairman & Managing Director	Executive Director

Date: August 26,2013

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

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business set out in the accompanying Notice is annexed hereto and forms part of this Notice.
2. 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
5. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th Day of September 2013 to Monday, 30th Day of September,2013. (both days inclusive).
7. Members desirous of seeking information relating to the Accounts and operations of the Company are requested to address their queries to the Company at least 7 days before the date of the meeting, so that the information required may be made available at the meeting.

8. 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.

9. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges of person seeking re-appointment as Director under item no. 2 and 4 to 6 above are annexed hereto.

10. 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.

11. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE417B01040.

12. Annual Listing fees for the year 2013-14 has been paid to all stock exchange wherein shares of the company are listed.

13. As per the provisions of Companies Act 1956, facility for making nominations is available to the shareholders in respect of the shares or deposits held by them. Nomination forms can be obtained from the Share Registrars of the Company.

14. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

15. The Ministry of Corporate Affairs has taken a "**Green Initiative in the Corporate Governance**" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with **M/s.Bigshare Services Pvt. Ltd.,** Registrar and Transfer Agents of the Company.

By Order of the Board
FOR DYNACONS SYSTEMS & SOLUTIONS LTD.

Shirish M. Anjaria	**Parag Dalal**
Chairman & Managing Director	Executive Director

Date:August 26,2013

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) of the Companies Act, 1956 in respect of item no. 4,5 ,6 of the notice as set out herein before is annexed hereto.

Item No 4

The Board of Directors of the Company (the Board), at its meeting, held on January 24, 2013, has subject to the approval of members, re-appointed, Mr. Shirish M. Anjaria as Chairman and Managing Director for a further period of 3 years from the expiry date of his term, on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on January 23, 2013.

A brief profile of Mr. Shirish M. Anjaria, nature of his expertise in specific functional areas and names of companies in which he holds Directorship and membership/chairmanship of Board Committee's as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are annexed hereto.

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

Period of Agreement: From 01.02.2013 to 31.01.2016

1. Salary : ₹ 1,50,000 per month (Rupees One Lakh Fifty Thousand Only)
2. Commission : 1% (One percent) of the Net Profit of the Company, subject to a ceiling of 50% (Fifty percent) of the salary.
3. Perquisites : In addition to the above, the Chairman and Managing Director shall be entitled to the all the perquisites listed herein below:

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

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

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

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

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

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

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

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

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

Other terms and conditions:

a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956, subject to maximum remuneration to be paid, as might be decided by the Board of Directors.

b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Shirish Anjaria remuneration, perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956, as might be decided by the Board of Directors.

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

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

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

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

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

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

Mr. Shirish M. Anjaria and Mr. Dharmesh S. Anjaria, are concerned and interested in this resolution, as it relates to his / relative's re-appointment and payment of remuneration.

No other director is directly or indirectly concerned or interested.

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

I. General Information

(1) Nature of Industry:

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

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

The Company has been in business for the past 15 years.

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

Not applicable, as the company is an existing company.

(4) Financial performance based on given indicators:

(₹ in Lacs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Sales(Gross)	5852.63	5193.96	4233.34
Profit before Tax	74.41	144.68	114.12
Profit After tax	51.67	103.12	76.91
Shareholders fund	1564.51	1512.84	1409.72
Rate of dividend on equity shares(%)	-	-	-

(5) Export performance:

The Company's export earnings for the past two years: NIL

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

II. Information about the appointee:

(i) Background details:

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

(ii) Past Remuneration

For the financial year 2012-2013, Mr. Shirish M. Anjaria's total remuneration was ₹ 4,80,000.

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

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

(iv) Remuneration proposed

The remuneration of Mr. Shirish M. Anjaria is set out above.

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

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

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

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

(III) Other information

Reasons of inadequate profits: On account of economic slowdown and intense competition, there is a continued pressure on margins & profitability.

Steps taken or proposed to be taken for improvements:

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

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

Item No 5 & 6

The Board of Directors of the Company (the Board), at its meeting, held on January 24, 2013, has subject to the approval of members, re-appointed, the said Whole-time Directors as Executive Directors for a further period of 3 years from the expiry dates of their respective terms on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on January 24, 2013.

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

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

Period of Agreement: From 01.02.2013 to 31.01.2016

1. Salary : ₹ 2,50,000 per month (Rupees Two Lakh Fifty Thousand Only)
2. Commission: 1% (One percent) of the Net Profit of the Company, subject to a ceiling of 50% (Fifty percent) of the salary.
3. Perquisites : In addition to the above, the Whole Time Director shall be entitled to the all the perquisites listed herein below:

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

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

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

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

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

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

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

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

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

Other terms and conditions :

a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, 1956, subject to maximum remuneration to be paid, as might be decided by the Board of Directors.

b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Dharmesh Anjaria and Mr. Parag Dalal remuneration, perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956, as might be decided by the Board of Directors.

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

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

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

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

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

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

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

No other director is directly or indirectly concerned or interested.

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

I. General Information

(1) Nature of Industry:

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

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

The Company has been in business for the past 15 years.

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

Not applicable, as the company is an existing company.

(4) Financial performance based on given indicators:

(₹ in Lacs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Sales(Gross)	5852.63	5193.96	4233.34
Profit before Tax	74.41	144.68	114.12
Profit After tax	51.67	103.12	76.91
Shareholders fund	1564.51	1512.84	1409.72
Rate of dividend on equity shares(%)	-	-	-

(5) Export performance:

The Company's export earnings for the past three years: NIL

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

II. Information about the appointee:

(i) Background details:

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

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

(ii) Past Remuneration

Remuneration for the Financial Year 2012-13
Mr. Parag Dalal: ₹ 9,60,000/-
Mr. Dharmesh Anjaria: ₹ 9,60,000/-

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

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

(iv) Remuneration proposed

The remuneration of Mr. Parag J. Dalal & Mr. Dharmesh S. Anjaria is set out above.

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

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

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

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

(III) Other Information

Reasons of inadequate profits: On account of economic slowdown and intense competition there is a continued pressure on margins & profitability.

Steps taken for proposed to be taken for improvements:

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

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

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

By Order of the Board
FOR DYNACONS SYSTEMS & SOLUTIONS LTD.

Shirish M. Anjaria	**Parag Dalal**
Chairman & Managing Director	Executive Director

Date: August 26 , 2013

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

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

(In Pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Shirish M. Anjaria	Mr. Parag J. Dalal
Age	68	45
Date of Appointment on the Board	Since Incorporation	Since Incorporation
Qualifications	Graduate in Science Post Graduate in Law. Associate of Federation of Insurance Institute	Intel certified solution Consultant Digital Electronics post Graduate in Computer Applications.
Expertise	Wide experience across a variety of industries, BusinessManagement, corporate affairs and customer relations.	Wide experience in Information Technology Service and Solutions
Directorships held in other Public Companies (excluding Foreign and Private Companies)	Dynacons Technologies Limited	Dynacons Technologies Limited
Memberships/Chairmanships of Committees across public companies	—	—

Name of Director	Mr. Dharmesh S. Anjaria	Mr. Mukesh P. Shah
Age	40	46
Date of Appointment on the Board	September 30, 1998	February 15, 2000
Qualifications	B.Com., A.C.A. , AICWA, Intel Certified Integration Specialist	B. Com, FCA
Expertise	Vast experience in the field of System Integration, Finance, Taxation and Corporate Affairs	Vast experience and exposure in Finance, Legal and Taxation Matters
Directorships held in other Public Companies (excluding Foreign and Private Companies)	Dynacons Technologies Limited	1. Dynacons Technologies Limited 2. Finkurve Financial Services Ltd.
Memberships/Chairmanships of Committees across public companies	—	—

By Order of the Board
For DYNACONS SYSTEMS & SOLUTIONS LTD.

Shirish M. Anjaria
Chairman & Managing Director

Parag Dalal
Executive Director

Date:August 26, 2013

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

Directors Report

Your Directors are pleased to present the Eighteenth Annual Report on the business and operations of the Company for the year ended March 31, 2013.

1. Financial Highlights

(₹ In lacs)

Sr No.	Particualrs	Year ended 31/03/2013	Year ended 31/03/2012
1.	Total Income	5869.96	5219.74
2.	Total Expenditure	5569.20	4854.99
3.	Interest	121.99	121.54
4.	Depreciation	104.36	98.53
5.	Profit before Tax	74.41	144.68
6.	Provision for Taxation - Current Tax	15.31	37.35
	- Deferred Tax	7.42	4.21
7.	Profit after tax	51.67	103.12

2. Management Analysis and Discussions

Company Performance

During the year, your Company earned total revenues of ₹5869.96 lacs compared with ₹5219.74 lacs during the previous year, reflecting a growth of 12 % over the previous year. The profit before tax stood at ₹74.41 lacs as compared to ₹144.68 lacs in the previous year. The Company has made a provision of tax totaling to ₹22.73 lacs and the profit after tax stood at ₹51.67 lacs for the current year.

Your Company continued to focus in the areas of turnkey system integration projects and services business. Your Company's growth has been a result of its customer centric approach and a balanced portfolio of integrated solutions and services. Core focus areas during the year have been customer orientation, engagement of strategic customers and research & development to ensure products aligned with customer expectation and market requirements for sustained growth.

Review of Operations

The technology and related services sector recorded a steady growth in spite of a volatile economic environment. As per the latest report by NASSCOM, IT- BPM (earlier called BPO) services and software products continued to lead, accounting for over USD 1 trillion which is 58% of the total IT spend and the IT hardware accounted for the balance 42% of the worldwide technology spends in 2012.

Five major technology changes are expected to open new opportunities for service providers - smart computing (expected to drive industry-specific solutions), Software-as-a-Service (SaaS to play a dominant role), social technologies (empower all elements of an industry's value chain including suppliers, employees, customers and business partners), mobility (access to anytime, anywhere information) and analytics (real-time intelligence). These trends are expected to drive growth in overall technology spend by 6% in 2013 with Hardware emerging as the highest growth segment at 7.5% driven by an expected surge in demand for infrastructure upgrade & improvements, followed by packaged software at 6.5% and IT services at 4.2% as firms work at ways to reduce costs and increase profitability. Dynacons is gearing itself to drive benefits of emerging trends and opportunities.

Technology continues to be a key driver of Business Growth for most customers, with IT spends continuing to see an annual rise in the foreseeable future for value adding solutions and services. Businesses today face a considerable challenge to effectively optimize their IT infrastructure and related operations and deliver ever-improving service levels to meet and exceed the expectations of their business-users without compromising on quality and security. We believe there are adequate opportunities for your Company to capitalize on ensuring continued growth going forward.

Dynacons has a team of specialists with experience in leveraging technology to help improve efficiency and security. The Company provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms. Your Company's offerings span across areas relevant to each organization. The Company's System Integration capability, experience, quality processes, proven track record of selling and servicing high-end IT products and multi-platform technical knowhow have helped it benefit from the enhanced traction in the market place.

Your Company has therefore unique end to end servicing and solution capabilities that differentiate it from the traditional vendors in the market place. The focus is to enable greater customer centricity by bringing the benefits of emerging technologies such as cloud, mobility, big data, and enterprise analytics to help customers improve their businesses.

During the year under review, your Company entered into several new strategic partnerships with principal Companies, Apple being the most prominent one. Your Company also added Project Management and Execution as a service to its existing lines of business. In project management we outsource System Integration projects and Infrastructure management services projects from IT giants and execute on turn key basis. Your Company has also added on its service locations, which has helped to reach its customers in the most intrinsic part of India where generally other vendors do not have a reach. The continued focus on the BFSI, Education and the Government verticals has yielded spectacular results. Your Company has added several key customers in these segments towards managing their IT Infrastructure and Networking for their offices and branches.

Dynacons offers remote management of IT infrastructure operations and deliver project-specific consulting, design and implementation services. Dynacons acts as the single point of accountability for service delivery and support for your end users. Our track record of delivering high quality solutions across the entire Information Technology life cycle and our strong domain expertise helps us to solidify these relationships and gain increased business from our existing clients.

Your Company has a strong track record of IT services with the BFSI vertical, continuing the legacy we bagged major services order in the nationalized banks. Your Company has also earned many formal recognitions and awards in the marketplace during the last year. In the previous year your company was also awarded as Emerging - IT Infrastructure Services Company by CIO Choice. The CIO Choice Award is one of the most acclaimed accolades in the industry as it is regarded as the voice of the customer; it's the CIOs verdict for recognizing and celebrating preferred products, services and solutions.Your Company had embarked on a series of End User customer Event in partnership with principal companies like IBM, Dell etc.

Taking a comprehensive view of business processes, applications, infrastructure, IT processes and tools, we helped our customers transform their IT Infrastructure to optimize their investments and achieve maximum return on investments. The role of technology has evolved from supporting corporations to transforming them.

Dynacons' multi technology, multi product offering to customers ensures that they have the convenience and benefit of sourcing their IT products and solutions from a single source. We deliver value to our customers through a comprehensive portfolio of services and solutions that meets the entire lifecycle needs of a business.

Dynacons' market strategy is to offer the full range of IT services, have presence in all industry segments through a diverse range of products and service offerings, and continue expanding geography presence outside India. Our product and service portfolio is based on providing end-to-end solutions in the IT Infrastructure space.

Several initiatives have been launched to identify new growth areas and simultaneously restructure existing growth engines. This has helped your Company to enrich its Company profile and build value for customers. The process of improving profitability and productivity has taken the required shape leading to better Leadership Development, Corporate Governance, Risk Management and Human Resources.

Convergence of mobility and web and the implementation of cloud platforms has increased the focus on data security. Information security and business intelligence are fast emerging as the new growth areas. Cloud Computing and virtualization are changing the dynamics for providing solutions and services. The technology provides flexibility, convenience as well as reliability along with cost optimization. Your Company is adapting this technology for its own use as well as for its offerings.

Strengths

The Company provides the entire spectrum of Information Technology services including Business Planning, Business Availability and Business Continuity Services. The Company undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data centre infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi- location infrastructure of domestic clients.

The Company provides high quality, 24 hour, seven days a week support services by leveraging its expertise in managing IT Infrastructures for its customers. We undertake a systematic, aggressive and customer oriented approach to cater to this business segment.

Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery. This integrated approach helps the Company take advantage of growth opportunities available by becoming a vendor of choice for customers.

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 trend towards outsourcing IT services.

Quality

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

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

Dynacons continues to strive on operational and delivery excellence and towards sustainable growth on the path of business excellence. Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market.

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

The Company has an adequate system of internal controls, which comprises of a well-defined organization structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority.

Outlook

The Company believes that the current trends in IT spend both domestically and in the international market presents unprecedented opportunity for growth. Liberalization and opening up of more infrastructure sectors like roads, airports and sea ports, national e-Governance initiatives and implementation of Mission mode projects, recent policy initiatives to make Indian companies more competitive including new policy on Special Economic Zone, the focus of Indian corporates to benchmark themselves with leading global players in terms of quality of processes and competitiveness, is going to drive an increase in IT spend.

We had identified a few areas of opportunities which continues to be the focus of our growth strategies In India, higher growth is expected to come from 2nd and 3rd tier cities and SMB sector. Dynacons' India wide presence and partner network can be leveraged to capitalize on this growth. The changes in the economy as well as IT technology changes are presenting several opportunities to your Company.

Cloud computing and virtualization technology provides flexibility, convenience as well as reliability along with cost optimization. Dynacons' is adapting this technology for its own use as well as a part of its offerings.

The key growth drivers are organic growth: achieving scale through replication and cross selling, asset growth, customer life-cycle management, top 100 key accounts focus, focus on replicating successes with new customers, new offering and initiatives; along with transformational initiatives based on providing value-adding, profitable, scalable and sustainable products, solutions, services to our customers

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. We have built a strong foundation and given the increasing reliance on IT, the outlook for the future is robust.

Risks and Concerns

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

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

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, 2013.

4. Directors

The Board at its meeting held on January 24, 2013 re-appointed, subject to the approval of the members at the ensuing Annual General Meeting, Mr. Shirish M. Anjaria as Chairman and Managing Director and Mr. Parag J. Dalal and Mr. Dharmesh S. Anjaria as Whole-time Directors designated as Executive Directors of the Company, for a further period of 3 years from February 1, 2013. The resolutions on re-appointment and remuneration have been put up for consideration and approval of the Members.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Mukesh Shah, Director of the Company, retires by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. None of the Directors of the Company is disqualified from being appointed as Director as specified in Section 274 of the Companies Act, 1956.

5. Auditors

M/s P.C. Ghadiali & Co., the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting. The said auditors have furnished the Certificate of their eligibility for re-appointment under the Companies Act, 1956.

6. Corporate Governance

The report on Corporate Governance, stipulated by Clause 49 of the Listing Agreement, is annexed hereto and forms part of this Annual Report. A Certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

7. Particulars of the Employees

The information as required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable as none of the employees are in receipt of remuneration which exceeds the limits specified under the said rules.

8. Human Resource Management

Your Company has a talented pool of committed people serving the organization with considerable innovation capabilities. Your company also has several people and business excellence related initiatives in progress, which aim at people excellence and continuous improvement. Your Company encourages and rewards people for Company's growth and innovation through several mechanisms.

The Company has a number of initiatives to attract, retain and develop talent in the organization. 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.

Your Company encourages regular training and development program. Continuous training is imparted in advanced technologies, 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.

Your company holds complete faith in the saying that employees are companies' most important assets, hence we organized several employee bonding events all round the year. Festivals like Diwali, Navratri were celebrated with pomp and zeal. A special mention of our Navratri Celebrations had been captured by Maharshtra's daily newspaper - Maharashtra Times. It celebrated the Woman's day commemorating the multiple role that a woman plays along with its professional role. In all, your company by all means accepts, understands and implements employee first policy.

We have created a favorable work environment that encourages innovation and meritocracy. We have also set up a scalable recruitment and human resources management process. Employee relations during the year were cordial. The directors appreciate the contributions and initiatives taken by the employees at all levels for the Company's improved performance year after year. The Company offers a growth environment along with monetary benefits in line with industry standards.

9. 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.

10. Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 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.

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

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 : ₹ Nil (previous year Nil)
Foreign Exchange Outgo : ₹ 1.97 lacs (previous year 1.17 lacs)

12. 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 & Managing Director

Parag Dalal
Executive Director

Mumbai: May 30, 2013

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Dynacons firmly believes 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, venders, creditors and employees. Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximizing long-term shareholder value, while preserving the interests of multiple stakeholders, including the society at large.

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

Composition and category

The present strength of Board of Directors is **SIX** Directors comprising of an Executive Chairman and Managing Director, two Executive Directors and three Non-Executive Directors. All the three Non-Executive Directors are Independent Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The Company has an Executive Chairman and the number of Independent Directors is one-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.

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

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board Meetings Attended	No. of other Directorship	No.of Membership/ Chairmanship of Other Committee #
Mr. Shirish M. Anjaria	Chairman and Managing Director	Yes	8	1	-
Mr. Parag J. Dalal	Executive Director	Yes	8	1	-
Mr. Dharmesh S. Anjaria	Executive Director	Yes	8	1	-
Mr. Mukesh P. Shah	Director	No	8	4	2
Mr. Dilip P. Palicha*	Director	Yes	2	-	2
Mr. Viren C. Shah	Director	No	7	2	2
Mr. Vishal Chapper@	Director	Yes	5	-	-

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

* Mr. Dilip Palicha has resigned from the directorship of the Company w.e.f. May 30, 2012.
@ Mr. Vishal Chapper was appointed as an Independent Director of the Company w.e.f. September 28, 2012.

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 Companies Act, 1956 and the Listing Agreement.

Eight Board Meetings were held during the year 2012-2013. 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 14, 2012, May 30, 2012 , August 8, 2012, August 24, 2012, September 26, 2012, November 9, 2012, January 24, 2013 and February 14, 2013.

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

3. AUDIT COMMITTEE

The Company complies with the provisions of Section 292A of the Companies Act, 1956, 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. Mukesh Shah	Non-Executive & Independent Director	5
Mr. Dilip Palicha	Non-Executive & Independent Director	1
Mr. Viren Shah	Non-Executive & Independent Director	5
Mr. Vishal Chapper	Non-Executive & Independent Director	4

* Due to resignation of Mr. Dilip Palicha, the Committee was re-constituted in the board meeting held on August 8, 2013 and Mr. Vishal Chapper was inducted as a Member of Audit committee.

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

The Committee is chaired by Mr. Mukesh Shah, Chartered Accountant. All the members of the committee are Non-Executive Directors having knowledge of Finance, Accounts and Company Law. Company Secretary of the Company acted as the Secretary to the Audit Committee.

The Audit Committee met five times during the financial year 2012-2013 on the following dates: May 30, 2012, August 8, 2012, August 24, 2012, November 8, 2012 and February 13, 2013.

The terms of reference of the Audit Committee includes:-

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

4. REMUNERATION COMMITTEE

Brief description of terms of reference

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

The Remuneration Committee consists of Non Executive Directors with the Chairman being an Independent Director. The members of the Remuneration Committee are Mr. Mukesh Shah, Mr. Viren Shah and Mr. Dilip Palicha. Due to resignation of Mr. Dilip Palicha, the Committee was re-constituted in the board meeting held on August 8, 2013 and Mr. Vishal Chapper was inducted as a Member of remuneration committee. The committee is chaired by Mr. Viren Shah

The Remuneration committee met once during the year. Company Secretary of the Company acted as the Secretary to the Remuneration Committee.

Remuneration Policy

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 Remuneration of the Executive Directors 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.

Details of Remuneration to all the Directors for the year ended March 31, 2013

Name of Director	Salary
Mr. Shirish Anjaria, Chairman & Managing Director	₹ 4,80,000/-
Mr. Parag Dalal, Whole Time Director	₹ 9,60,000/-
Mr. Dharmesh S. Anjaria, Whole Time Director	₹ 9,60,000/-

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Functions

The Shareholders Committee is chaired by Mr. Vishal Chapper. The Company Secretary of the Company is the Compliance Officer of the Company. The composition of the committee and details of the meetings attended by the Directors are given below:

Name of the Director	Category	No. of Meetings attended
Mr. Vishal Chapper	Non-Executive & Independent Director	5
Mr. Viren Shah	Non-Executive & Independent Director	5
Mr. Mukesh Shah	Non-Executive & Independent Director	5
Mr. Dilip Palicha	Non-Executive & Independent Director	1

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, issue of duplicate share certificate and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. Details of share transfer / transmission approved by the committee are placed at the Board meetings from time to time. Company Secretary of the Company acted as the Secretary to the Shareholders / Investors Grievance Committee.

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During the year under review, 12 complaints were received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints outstanding as on March 31, 2013 were Nil. The numbers of pending share transfers as on March 31, 2013 were Nil.

6. 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.

7. GENERAL BODY MEETINGS

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

- **17th AGM** : September 28, 2012 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058. Number of Special Resolutions passed: 0
- **16th AGM** : September 29, 2011 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.
  Number of Special Resolutions passed : Three
  Details of Special Resolution are as follows:
  1) Consolidation of face value of Equity Shares from Re.1 to Rs.10 each.
  2) Alteration of Memorandum of Association.
  3) Issue of Shares and Warrants on Right Basis.
- **15th AGM** : September 28, 2010 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.
  Number of Special Resolutions passed : Three
  Details of Special Resolution are as follows:
  1) Re-appointment of Mr. Shirish Anjaria as a Chairman cum Managing Director.
  2) Re -appointment of Mr. Parag Dalal as a Whole Time Director.
  3) Re-appointment of Mr. Dharmesh Anjaria as a Whole Time Director.
- **Court Convened Meeting of Members** of the Company was held on July 28, 2010 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058 for the approval of the Scheme of Arrangement.

8. 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 Director (including Senior Management of the Company) and Non Executive Directors are uploaded on the website of the Company – www.dynacons.com

9. 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) 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**

c) 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.

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

e) The Company has established a mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.

f) During the financial year 2012-2013, the Company did not raise any proceeds through Public Issue, Right Issue and/or Preferential Issue.

10. MEANS OF COMMUNICATION

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

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting :-

- Date and Time	September 30 , 2013 at 3:00 P.M.
- Venue	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058.

11.2 Financial Calendar: - (Tentative) — April'13 – March'14

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

11.3 Book Closure Date — September 24, 2013 to September 30,2013. (Both days inclusive)

11.4 Dividend Payment Date — N.A.

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

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

(d) Annual listing fees for the year 2013-2014 have been duly paid to all the above Stock Exchanges.

11.6 Stock Market Data

Month	Bombay Stock Exchange (BSE) (in ₹)		National Stock Exchange (NSE) (in ₹)	
	Month's high price	Month's low price	Month's high price	Month's low price
April 2012	4.86	4.09	4.60	3.85
May 2012	4.50	3.70	4.20	3.60
June 2012	5.16	3.87	4.50	3.70
July 2012	4.67	3.85	4.05	3.65
Aug. 2012	4.09	3.34	3.90	3.45
Sep. 2012	4.43	3.41	4.50	3.55
Oct. 2012	7.52	4.20	7.25	4.15
Nov. 2012	5.00	4.13	4.95	4.25
Dec. 2012	5.30	4.25	4.95	4.25
Jan. 2013	5.05	3.69	5.10	3.70
Feb. 2013	5.00	3.52	4.45	3.55
Mar. 2013	4.63	3.26	4.65	3.05

11.7 Registrar and transfer Agents:

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

11.8 Share Transfer System

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

11.9 Distribution of Shareholding as on March 31, 2013

No of Equity Shares	No of Folios	% of Total	Total Holding in ₹	% of Total
1-5000	14228	91.98	15399020	25.99
5001-10000	707	4.57	5295370	8.94
10001-20000	278	1.80	4132180	6.98
20001-30000	77	0.50	1918040	3.24
30001-40000	70	0.45	2544310	4.30
40001-50000	22	0.14	975920	1.65
50001-100000	42	0.27	3002820	5.07
100001 & above	45	0.29	25963140	43.83
Total	**16178**	100	**59230800**	100

11.10 Shareholding of Directors

Sr.No.	Name of Directors	No. of Shares	Percentage (%)
1	Mr. Shirish Anjaria	360948	6.09
2	Mr. Dharmesh Anjaria	356220	6.01
3	Mr. Parag Dalal	347200	5.86

11.11 Dematerialization of Shares as on March 31, 2013

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
59,23,080	43268	0.73	58,79,812	99.27

11.12 Shareholding Pattern as on March 31, 2013

Category	No of Shares held	Percentage of Shareholding
Indian Promoters	1757444	29.67%
Private Corporate Bodies	374761	6.33%
Indian Public	3728464	62.95%
NRIs/OCBs	60535	1.02%
Trust	Nil	0.00%
Clearing Member / Transit	1876	0.03%
Total	**5923080**	**100.00%**

11.13 Outstanding GDRs / ADRs : **N .A**

11.14 Compliance Officer : **Mr. Ravishankar Singh**

11.15 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 System & Solution Ltd.
78, Ratnajyot Ind. Estate,
Irla Lane, Vile Parle (west),
Mumbai – 400 056
Email : investor@dynacons.com
Cont.No. 022 - 66889900

11.16 Corporate Ethics:

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

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

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

Further certified that the Members of the Board of Director and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2013.

Shirish Anjaria
Chairman & Managing Director

Mumbai, August 26, 2013

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by Dynacons Systems & Solutions Limited for the year ended 31st March, 2013 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 state that such compliance is neither as 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 **P. C. GHADIALI & CO.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Dated : August 26, 2013

August 26, 2013

The Board of Directors
Dynacons Systems & Solutions Ltd
Mumbai

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

a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

c) 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.

d) During the year:

   i) There has not been any significant change in internal control over financial reporting;

   ii) There has not been any significant change in accounting policies; and

   iii) There have been no instances of fraud of which we have become aware.

For **Dynacons Systems & Solutions Ltd**

Shirish Anjaria
Chairman & Managing Director

Dharmesh S. Anjaria
Chief Financial Officer &
Executive Director

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED

Report on The Financial Statements

We have audited the accompanying financial statements of **DYNACONS SYSTEMS & SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and

c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Act, we report that:

a) We have 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and

e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **P. C. GHADIALI & CO.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Dated : May 30, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

DYNACONS SYSTEMS & SOLUTIONS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013
(Referred to in paragraph (1) of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The 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.

   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

2. (a) As explained to us, the stocks of equipment and components / spares for maintenance and resale have been verified by the management during the year at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   (c) In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.

3. According to the information and explanations given to us , the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of sub-clauses (a), (b), (c), and (d) of clause 4(iii) of the order are not applicable to the Company.

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. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.

(b) On the basis of our examination of the books of account, the Company has not entered into any transactions exceeding ₹ 5 Lacs in respect of any party during the financial year that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules framed there under are not applicable.

7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

9. 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, 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 2013 for a period of more than six months from the date they became payable.

10. 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.

11. 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.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund, nidhi, mutual benefit fund or a society.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

15. 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.

16. According to the information and explanations given to us, the working capital term loans raised during the year were used for the purpose for which they were raised.

17. 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.

18. The Company has not made any preferential allotment of shares during the year.

19. During the year covered by our audit report the Company has not issued any debentures.

20. The Company has not raised any money by public issues during the year.

21. 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 **P. C. GHADIALI & CO.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Dated : May 30, 2013

Balance Sheet as at 31 March, 2013

(₹ in Lakhs)

	Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
(a)	Share Capital	1	592.31	592.31
(b)	Reserves and Surplus	2	972.21	920.53
			1564.51	1512.84
2	**Non-current liabilities**			
(a)	Long-Term Borrowings	3	42.63	69.48
(b)	Deferred Tax Liabilities (Net)	4	99.18	91.76
(c)	Other Long Term Liabilities	5	15.30	13.93
(d)	Long-Term Provisions	6	10.45	8.90
	Total non-current liabilities		167.55	184.07
3	**Current liabilities**			
(a)	Short-Term Borrowings	7	878.05	643.93
(b)	Trade Payables	8	219.30	272.38
(c)	Other Current Liabilities	9	166.68	172.82
	Total current liabilities		1264.03	1089.13
	TOTAL		2996.10	2786.04
B	**ASSETS**			
1	**Non-current assets**			
(a)	Fixed Assets			
	(i) Tangible Assets	10	434.90	1039.63
	(ii) Intangible Assets Under Development	10	25.34	33.80
	Total fixed assets		460.24	1073.42
(b)	Non-Current Investments	11	151.11	151.11
(c)	Long-Term Loans And Advances	12	400.38	51.93
(d)	Other Non-Current Assets	13	24.81	26.60
	Total non-current assets		576.31	229.64
2	**Current assets**			
(a)	Inventories	14	532.48	589.73
(b)	Trade receivables	15	836.80	728.40
(c)	Cash and cash equivalents	16	180.47	155.64
(d)	Short-term loans and advances	17	9.31	9.22
(e)	Other current assets	18	400.50	-
	Total current assets		1959.56	1482.98
	TOTAL		2996.10	2786.04
	Notes on Financial Statements	1-26		

As per our report of even date attached

For **P. C. Ghadiali & Co.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. Palan
Partner
Membership No: 100741

Mumbai : May 30, 2013

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman and Managing Director

Parag Dalal
Executive Director

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Mumbai : May 30, 2013

Statement of Profit and Loss for the year ended 31 March, 2013

(₹ in Lakhs)

		Particulars	Note	For the year ended 31 March, 2013	For the year ended 31 March, 2012
1		**INCOME**			
	(a)	Revenue from Operations	19	5,852.63	5,193.96
	(b)	Other Income	20	17.33	25.78
2		**Total Revenue**		5,869.96	5,219.74
3		**EXPENSES**			
	(a)	Purchases	21	5,094.42	4,582.35
	(b)	Changes In Inventories	22	57.25	(78.15)
	(c)	Employee Benefits Expense	23	286.52	231.53
	(d)	Finance Costs	24	121.99	121.54
	(e)	Depreciation And Amortisation Expense		104.36	98.53
	(f)	Other Expenses	25	131.02	119.26
4		**Total Expenses**		5,795.55	5,075.06
5		**Profit Before Tax**		74.41	144.68
6		**Tax Expense:**			
	(a)	Current Tax Expense		15.31	37.35
	(b)	Deferred Tax		7.42	4.21
				22.73	41.56
7		**Profit for the year**		51.67	103.12
8		**Earnings per Equity Shares of face value of ₹10 each):** Basic And Diluted (In ₹)		0.87	1.74
		Notes on Financial Statements	1-26		

As per our report of even date attached

For **P. C. Ghadiali & Co.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. Palan
Partner
Membership No: 100741
Mumbai : May 30, 2013

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman and Managing Director

Parag Dalal
Executive Director

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Mumbai : May 30, 2013

Cash Flow Statement for the Year Ended March 31, 2013

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
A CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary item	74.41	144.68
Add: Depreciation	104.36	98.53
(Profit)/Loss on sale of Fixed Assets	4.02	7.71
Finance Costs	121.99	121.54
Dividend received	(0.05)	(0.05)
	230.32	227.73
Operating profit before working Capital	304.73	372.41
Changes in current assets and Liabilities		
Adjustments for (increase) / decrease in operating assets:		
(Increase)/Decrease in Inventories	57.25	(78.15)
(Increase)/Decrease in Trade & Other Receivable:	(824.73)	16.45
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in current Liabilities & Provision	162.51	(29.07)
	(604.97)	(90.77)
Cash Generated from Operations	(300.24)	281.63
Taxes Paid	(30.93)	(15.77)
Net Cash Flow from operating activities	(331.17)	265.87
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(116.05)	(228.40)
Sale of Fixed Assets	620.85	76.37
Capital Work-in-Progress and Advances	-	0.00
Net Cash Used for Investing Activities	504.85	(151.98)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) In Secured/UnSecured Loans	(26.85)	(14.73)
Interest Paid	(121.99)	(121.54)
Net cash From Financing Activities	(148.85)	(136.26)
Net Increase in Cash and Cash Equivalents (A+B+C)	24.83	(22.38)
Cash and Cash Equivalents (Opening Balance)	155.64	178.02
Cash and Cash Equivalents (Closing Balance)	180.47	155.64
	24.83	(22.38)

Notes

1 Components of cash and cash equivalents include bank balance in current account as disclosed under Note 16 of the accounts.

2 Cash flow statements has been prepared under the "Indirect Method" as set out in According Standard issued (AS -3) " Cash Flow Statements " by The Institute of Charted Accountants of India.

3 Previous years figure have been regrouped, rearrange and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

For and on behalf of the Board of Directors

For **P. C. Ghadiali & Co.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. Palan
Partner
Membership No: 100741

Shirish Anjaria
Chairman and Managing Director

Parag Dalal
Executive Director

Mumbai : May 30, 2013

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

Company Overview

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

SIGNIFICANT ACCOUNTING POLICIES :

1. **Basis of accounting**

   The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. **Use of Estimates**

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

3. **Revenue Recognition**

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

4. **Expenditure Recognition**

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

5. **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 obsolence 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.

6. 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.

7. Depreciation

Depreciation on Fixed Assets is provided using the straight-line method at the rates provided and in the manners specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets purchased/sold during the year has been provided on pro rata basis. Individual assets costing less than ₹ 5,000/- are depreciated in full in the year of purchase. Intangible assets are amortized on a straight-line basis over their respective individual estimated useful lives, generally not exceeding ten years.

8. 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.

9. 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.

10. 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.

11. Retirement Benefits to employees

i. Post-employment benefit plans

Defined contribution plan

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

Defined Benefit plan

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains 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.

12. 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.

13. Borrowing Costs

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

14. 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.

15. Leases

Operating Lease

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

Finance Lease

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

16. 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.

Notes forming part of the financial statements for the financial year ended 31st March, 2013

(₹ in Lakhs)

		Particulars	As at 31 March, 2013	As at 31 March, 2012
1		**SHARE CAPITAL**		
	(a)	Authorised Share Capital 30,000,000 Equity shares of ₹ 10 each (Previous Year 30,000,000 Equity shares of ₹ 10 each)	3,000.00	3,000.00
	(b)	Issued, Subscribed and Paid up : 59,23,080 Equity shares of ₹ 10 each (59,23,080 Equity shares of ₹ 10 each.)	592.31	592.31

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

Particulars	As at 31 March, 2013	As at 31 March, 2012
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	5,923,080	5,923,080
Equity Shares at the end of the year	5,923,080	5,923,080

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

Name of the Shareholder	As at 31 March, 2013	As at 31 March, 2012
Shirish Mansingh Anjaria		
No. of Shares	3,60,948	3,60,948
% held	6.09	6.09
Dharmesh Shirish Anjaria		
No. of Shares	3,56,220	3,56,220
% held	6.01	6.01
Parag Jitendra Dalal		
No. of Shares	3,47,200	3,47,200
% held	5.86	5.86

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

1.5 The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

1.6 No bonus shares have been issued to equity share holders in last five years

1.7 No equity share shares been bought back in last five years.

2 RESERVES & SURPLUS

(a)	**General reserve**		
	As per last Balance Sheet	190.46	190.46
(b)	**Surplus in Statement of Profit and Loss**		
	As per last Balance Sheet	730.07	626.96
	Add: Profit for the year	51.67	103.12
	Closing Balance	781.75	730.07
	Total	972.21	920.53

3 LONG TERM BORROWINGS

Term loans		
From banks		
Secured	39.36	62.37
From Others		
Secured	3.26	7.11
Total	42.63	69.48

3.1 Term loans from banks are Secured by way of first mortgage / charge on the Deposits and Fixed Assets of the Company

3.2 Term loans from Other Parties are Secured by way of first mortgage / charge on the Vehicles of the Company

3.3 Maturity Profile of Secured Term Loans are as set out below :

	Maturity Profile		
	2014-15	2015-16	2016-17
Term Loans- from banks			
- Dena Bank	19.60	19.60	14.70
- HDFC Bank	3.51	3.92	1.05
Term Loans- from Others	3.93	3.18	-

3.4 Details of long-term borrowings guaranteed by some of the directors :

Particulars	**As at 31 March, 2013** ₹	**As at 31 March, 2012** ₹
Term loans from banks	39.36	62.37
Term loans from Others	3.26	7.11

3.5 Other Details

	Particulars	**Security Coverd**	**Date of Maturity**	**Number Of Installments Due**	**Applicable Rate Of Interest**
A	**Motor Car Loan**				
1	HDFC Bank	Motor Car	07/06/2015	27	11.15%
2	Tata Capital Ltd.	Motor Car	03/12/2014	21	9.00%
B	**Term Loan**				
3	Dena Bank	Deposits & Fixed Assets	31/12/2015	33	13.70%

4 DEFERRED TAX LIABILITY NET

Deferred Tax Liability		
Related to fixed assets	101.10	93.12
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	1.92	1.36
Total	99.18	91.76

5 OTHER LONG TERM LIABILITIES

Statutory Liabilities	5.20	2.59
Dues to Staff	10.10	11.34
Total	15.30	13.93

6 LONG TERM PROVISIONS

Provision for employee benefits:		
Provision for other defined benefit plans (Refer Note 23.1)	10.45	8.90
Total	10.45	8.90

7 Short Term Borrowings

Secured		
Working Capital Loans :		
From Banks	878.05	643.93
Total	878.05	643.93

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

8 TRADE PAYABLES

Micro, Small and Medium Enterprises	-	-
Others	219.30	272.38
Total	219.30	272.38

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

9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt	26.85	26.34
Statutory dues	91.36	65.89
Others	48.47	80.60
Total	166.68	172.82

9.1 **Others**

Dues to Staff	27.32	22.10
Provision for Taxation	21.15	58.50
Total	48.47	80.60

10 FIXED ASSETS

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		As at 01-04-2012	Addition during the year	Deduction during the year	As at 31-03-2013	As at 01-04-2012	Addition during the year	Deduction during the year	As at 01-04-2013	WDV as on 31.03.2013	WDV as on 31.03.2012
I	Tangible Assets										
1	Premises	600.50	-	600.50	-	-	-	-	-	-	600.50
2	Furnitures & Fixtures	8.88	-	-	8.88	7.16	0.56	-	7.72	1.15	1.71
3	Vehicles (Cars)	43.08	-	-	43.08	9.04	4.09	-	13.13	29.95	34.04
4	Office Equipment	5.82	0.58	-	6.41	2.50	0.28	-	2.78	3.63	3.33
5	Computer	542.01	115.47	96.73	560.75	141.97	90.97	72.36	160.58	400.17	400.04
	SUB TOTAL (A)	1,200.29	116.05	697.23	619.11	160.66	95.91	72.36	184.21	434.90	1,039.63
II	Intangible Assets Under Development										
	Software Dev. Exp	84.55	-	-	84.55	50.75	8.46	-	59.21	25.34	33.80
	SUB TOTAL (B)	84.55	-	-	84.55	50.75	8.46	-	59.21	25.34	33.80
	Total [A + B] (Current Year)	1,284.84	116.05	697.23	703.66	211.42	104.36	72.36	243.42	460.24	1,073.42
	(Previous Year)	1,202.87	228.40	146.43	1,284.84	175.23	98.53	62.35	211.42	1,073.42	1,027.63

11 NON-CURRENT INVESTMENTS

Trade Investments		
In Equity Shares - Unquoted, fully paid up		
Kapol Co-op Bank Ltd 5,000 Equity Shares of ₹ 10 each	0.51	0.51
Aggregate value of Unquoted Investments	0.51	0.51
In Equity Shares - Quoted, fully paid up		
Dena Bank (2,000 (Previous year 2,000) Equity Shares of ₹ 10 each fully paid up)	0.60	0.60
Dynacons Technologies Limited (15,000,000 (Previous year 15,000,000) Equity Shares of ₹ 1 each, fully paid up)	150.00	150.00
Aggregate value of Quoted Investments (Market Value of Quoted investments ₹ 11,128,800 (Previous year ₹ 1,80,000)	150.60	150.60
Total	151.11	151.11
Aggregate amount of quoted investments	150.60	150.60
Aggregate amount of unquoted investments	0.51	0.51
	151.11	151.11

12 Long Term Loans And Advances

(Unsecured and considered good)

Security deposits	43.12	17.00
Advance income tax (Net of provisions)	18.00	15.77
Other loans and advances	339.26	19.16
Total	400.38	51.93

13	**OTHER NON-CURRENT ASSETS**		
	Others		
	Duties & Taxes	24.81	26.60
	Total	24.81	26.60
14	**INVENTORIES**		
	Stock-in-trade	532.48	589.73
	Total	532.48	589.73

14.1 Inventories are valued at lower of cost or net realisable value whichever is low

15	**TRADE RECEIVABLES**		
	(Unsecured and Considered Good)		
	Over six months	36.14	24.84
	Other Trade receivables	800.66	703.56
	Total	836.80	728.40
16	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	8.38	8.19
	Balances with banks		
	In current accounts :	1.94	1.89
	Other Bank Balances :		
	In deposit accounts	137.01	113.94
	In earmarked accounts		
	- Balances held as margin money against guarantees	33.14	31.62
	Total	180.47	155.64

16.1 Maturity Profile of Fixed Deposits with Bank are as set out below :

		Maturity Profile	
	less than 3 months	3-12 months	Beyond 12 Months
Bank Deposits	-	29.81	140.34

16.2 Balances with Bank in Deposits Accounts are held as as margin money or security against the borrowings, guarantees, other commitments

17	**SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)**		
	Loans and advances to employees	3.31	2.57
	Others		
	- Advances for services	6.00	6.65
	Total	9.31	9.22

18	**OTHER CURRENT ASSETS** **(Unsecured and Considered Good)**		
	Other Receivables	400.50	-
	Total	400.50	-
19	**REVENUE FROM OPERATIONS**		
	Revenue from Information Technology Products	5,852.63	5,193.96
	Total	5,852.63	5,193.96

19.1 The Company is engaged in systems Integration which includes the sales of products and services as a complete solution

20	**Other Income**		
	Interest income	14.87	15.99
	Dividend income:		
	From Long Term Investments	0.05	0.05
	Other operating income		
	- Excess Provision for tax	-	9.74
	Miscellaneous income	2.41	0.00
	Total	17.33	25.78
20.1	Interest income comprises:		
	Interest from banks on:		
	deposits	14.60	13.60
	Interest on income tax refund	0.28	2.39
	Total - Interest income	14.87	15.99
21	**PURCHASE OF STOCK - IN - TRADE**		
	Purchases of Information Technology Products	5,094.42	4,582.35
	Total	5,094.42	4,582.35
22	**CHANGES IN INVENTORIES**		
	Inventories at the end of the year:		
	Finished goods	532.48	589.73
		532.48	589.73
	Inventories at the beginning of the year:		
	Finished goods	589.73	511.58
		589.73	511.58
	Total	57.25	78.15

23 EMPLOYEE BENEFITS EXPENSE

Salaries and wages	284.17	230.12
Contributions to provident and other funds	2.35	1.42
Total	286.52	231.53

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

	Particulars	2013 Amount (₹)	2012 Amount (₹)
I.	**Assumptions :**		
	Discount Rate	8.00%	8.50%
	Salary escalation rate	4.00%	4.00%
II.	**Table Showing Change in Benefit Obligation :**		
	Liability at the beginning of the year	4.55	3.31
	Interest Cost	NIL	NIL
	Current Service Cost	1.87	1.23
	Past Service Cost (Non Vested Benefit)	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL
	Benefit Paid	NIL	NIL
	Balance	6.42	4.55
	Actuarial (gain)/loss on obligations	NIL	NIL
	Liability at the end of the year	6.42	4.55
III	**Amount Recognized in the Balance Sheet**		
	Liability at the end of the year	6.42	4.55
	Fair Value of Plan Assets at the end of the year	NIL	NIL
	Difference	6.42	4.55
	Unrecognized Past Service Cost	NIL	NIL
	Amount Recognized in the Balance Sheet	6.42	4.55
IV.	**Expenses Recognized in the Income Statement :**		
	Current Service Cost	1.87	1.23
	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	1.87	1.23

24 FINANCE COST

Interest expense	121.99	121.54
Total	121.99	121.54

24.1	Interest expense on:		
	(i) Borrowings	116.14	120.90
	(ii) Others	5.85	0.64
	Total	121.99	121.54

25	**Other Expenses**		
	Electricity Expenses	5.11	3.31
	Rent	12.74	7.34
	Communication Expenses	6.60	5.42
	Auditors Remuneration	3.40	2.90
	Staff Welfare Expenses	6.68	2.86
	Bank Charges	3.55	5.96
	Conveyance And Travelling Expenses	22.83	24.42
	Discount Allowed	-	0.04
	Insurance Charges	1.14	1.50
	Legal & Professional Charges	25.00	16.80
	Loss on Sale of Fixed Assets	4.02	7.71
	Membership & Subscription	0.92	1.01
	Miscellaneous Expenses	7.24	6.60
	Motor Car Expenses	3.83	3.66
	Printing & Stationary Expenses	3.01	3.72
	Rates & Taxes	0.80	0.43
	Repairs & Maintenance -Building	0.71	0.58
	Repairs & Maintenance - Others	3.46	3.36
	Sales Promotion Expenses	4.30	13.69
	Transportation Charges	15.66	7.95
	Total	131.02	119.26

25.1	**PAYMENT TO AUDITORS AS**		
(a)	Auditor		
	Statutory Audit Fees	2.90	2.40
	VAT Audit Fees	0.20	0.20
(b)	Certification and Consultation Fees	0.30	0.30
	Total	3.40	2.90

Additional Information to the financial statements

26.1 Contingent Liabilities

a) Claims against the Company not acknowledged as debts: Nil
b) Guarantees given by the company's bankers ₹ 258.48/- (previous year ₹ 252.04)

26.2 Expenditure in Foreign Currency

Particulars	2013	2012
Travelling Expenses	₹ 1.97	₹ 1.17

26.3 Segment Information

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

26.4 Related Party Disclosures

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

S. P. Corporation	Firm in which Wholetime Directors have substantial interest.
Shirish M. Anjaria	Chairman and Managing Director
Parag J. Dalal	Whole Time Director
Dharmesh S. Anjaria	Whole Time Director
Trigem Infosolutions Limited	Company in which Whole Time Directors have substantial interest
Dynacons Technologies Limited	Company in which Directors have substantial interest

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

Party	Nature of Payment	2013 (₹/lakhs)	2012 (₹/lakhs)
M/s S.P. Corporation	Rent for Premises	0.60	0.60
M/s S.P. Corporation	Reimbursement of Expenses	0.71	0.56
Mr. Shirish M. Anjaria	Remuneration	4.80	4.80
Mr. Parag J. Dalal	Remuneration	9.60	9.60
Mr. Dharmesh S. Anjaria	Remuneration	9.60	9.60
Dynacons Technologies Limited	Amount receivable / (payable) as at year end	(5.12)	(31.37)

26.5 Earnings per Share (Basic and Diluted)

Particulars	Units	Year Ended March 31, 2013	Year Ended March 31, 2012
Profit after Tax	(₹ /lakhs)	51.67	103.12
Weighted Number of Equity Shares	Nos.Lakhs	59.23	59.23
Earnings Per Share (of paid up Value of ₹ 10 each)	₹	0.87	1.74

26.6 Lease Commitments

Operating Lease

The company has taken office premises on lease under cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 12.74 (Previous year ₹ 7.34).

26.7 Foreign Exchange Exposure:

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

As of the Balance Sheet date, the Company has net foreign currency exposure that are not hedged by a derivative instrument or otherwise, amounting to ₹ 22.30 (Previous year ₹ 22.25).

26.8 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 **P. C. Ghadiali & Co.**
Firm Regn. No. : 103132W
Chartered Accountants

C. K. Palan
Partner
Membership No: 100741

Place : Mumbai
Mumbai : May 30, 2013

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman and Managing Director

Parag Dalal
Executive Director

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Book-Post

If undelivered, please return to:

DYNACONS
SOLUTIONS THAT EMPOWER

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

DYNACONS SYSTEMS & SOLUTIONS LIMITED

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

DP ID No		L.F. No	
Client ID No		No of Shares held	

ATTENDENCE SLIP

TO BE SURRENDERED AT THE TIME OF ENTRY

Members are requested to produce the attendence slip duly signed in accordance with their specimen signatures registered with the company for admission to the meeting at the hall .

Name and address of Shareholder	No. of Shares held	Reg. Folio No.

I Hereby record my presence at the Eighteenth Annual General Meeting of the Company to be held at Karl Residency, 36, Lallubhai Park Road, Andheri [West], Mumbai - 400 058 at 3:00 pm on Monday, September 30, 2013.

____________________________ ____________________

Name of the Proxy in Block Letters Signature of Member/Proxy

(if the proxy attend instead of the Member)

NOTES: Members are informed that no duplicate attendance slips will be issued at the hall and are requested to bring this slip for the meeting.

PLEASE CUT HERE AND TENDER THE ABOVE ATTENDANCE SLIP AT THE MEETING

DYNACONS SYSTEMS & SOLUTIONS LIMITED

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

PROXY FORM

DP ID No		L.F. No	
Client ID No		No of Shares held	

I/We ____

having address at ____________________________________

being a Member/Members of the above mentioned Company hereby appoint

Shri / Smt. ____________________________ having address at

________________________________ or failing him/her

as my/our Proxy to vote for me/us and on my/our behalf, at the Eighteenth Annual General Meeting of the Company, to be held at Karl Residency, 36, Lallubhai Park Road, Andheri [West], Mumbai - 400 058 at 3:00 pm on Monday, September 30, 2013 or at any adjournment there of.

Signed this ____________ day of ____________ 2013

Signature ____________

Note : This proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting. The proxy need not be a member of the Company

DYNACONS
SOLUTIONS THAT EMPOWER

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	**Dynacons Systems & Solutions Ltd.**
2.	Annual financial statements for the year ended	**31st March, 2013**
3.	Type of Audit observation	**Un-qualified**
4.	Frequency of observation	**Not Applicable**
5.	To be signed by- • CEO/Managing Director	(Shirish Anjaria)
	• CFO	(Dharmesh Anjaria)
	• Audit Committee Chairman	(M.P. Shah)
	• Auditor of the company P.C. GHADIALI & CO. Office No. 6 - 7, Yamuna, Evershine Enclave, Mira Road, (East), Dist. Thane-401107 CHARTERED ACCOUNTANTS	For **P.C. Ghadiali & Co.** Firm Regn. No. :103132W Chartered Accountants **C.K. Palan** Partner Mem. No.100741

For **Dynacons Systems & Solutions Ltd.**

Dharmesh Anjaria
Chief Financial Officer