



**DYNACONS**  
Technologies Ltd.

**ANNUAL REPORT**  
**2012-2013**

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

**BOARD OF DIRECTORS**

Shri. Shirish M. Anjaria ... ..	Chairman & Managing Director
Shri. Parag. J. Dalal ... ..	Director
Shri. Dharmesh S. Anjaria ... ..	Director
Shri. Mukesh P. Shah ... ..	Director
Shri. Dilip P. Palicha ... ..	Director
Shri. Viren Shah ... ..	Director

**AUDITORS**

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

**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

**CONTENTS**

Notice	3
Directors' Report	10
Corporate Governance Report	14
Auditors' Report	22
Balance Sheet	26
Profit and Loss Account	27
Cash Flow Statement	28
Notes Forming Part of the Financial Statements	29

**NOTICE**

**Notice** is hereby given that the Fourth Annual General Meeting of the members of **Dynacons Technologies Limited** will be held on Monday, 30th day of September, 2013 at 3.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013 and Profit & Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Viren Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 94, 97 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded that the Authorized Share Capital of the Company be and is hereby increased from ₹ 6,00,00,000/- (Rupees Six Crores only) to ₹ 8,00,00,000/- (Rupees Eight Crores only) by creation of further 2,00,00,000 equity shares of ₹ 1/- (Rupee One only) each ranking pari passu with the existing equity shares of the Company, with a power of Company to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the company, for the time being, and to classify or reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions, or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of Articles of Association of the Company or legislative provisions for the time being in force for that behalf.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and further to do all such acts, deeds and things and to file any such forms and execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

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

**"RESOLVED THAT** the existing Clause V of the Memorandum of Association of the Company be altered and substituted by the following new clause:

"V. The Authorized Share Capital of the Company is ₹ 8,00,00,000/- (Rupees Eight Crores only) divided into 8,00,00,000 equity shares of ₹ 1/- (Rupee One only) each with such ordinary privileges and other conditions attaching thereto as may be provided by the Articles of the Company for the time being in force with power to increase its share capital by such amount as it thinks expedient by issuing Equity Shares, consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination, subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled."

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

**"RESOLVED THAT** pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956, the Securities Contract Regulations Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (SEBI (ICDR) Regulations), SEBI Takeover Regulations and rules and regulations related to the said statutes framed thereunder and all other applicable Rules, Regulations, Guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and the compliance thereof, the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors (hereinafter referred to as "the FIIs") including their sub-accounts and Non Resident Indians/ Persons of Indian Origins (hereinafter referred to as NRIs/PIOs) under the Foreign Direct Investment Scheme under automatic route in the shares of the Company, by purchase or acquisition from the market, upto 75 per cent of the paid up equity share capital of the Company respectively."

**"RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, deeds & things as may be necessary, proper and expedient for the purpose of giving effect to this resolution and for the matters connected therein or incidental thereto."

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

**"RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (Companies Act), if any including any statutory modification(s) or re-enactment thereof, for the time being in force, various rules, circulars, press notes, clarification issued by Foreign Investment Promotion Board, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (SEBI (ICDR) Regulations), as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the stock exchanges where the shares of the Company are listed (Stock Exchanges) and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, including RBI, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), the consent of the Company be and is hereby given to create, offer, issue and allot upto an aggregate of 1,90,00,000 (One Crore Ninety Lacs) equity shares of face value of ₹ 1/- each (each an "Equity Share" and collectively the "issue Shares") at a price of ₹ 1/- per equity share, to be issued and allotted at par, on a preferential allotment basis, to Mr. Aron Govil, NRI, resident of 19, Engineers Lane, Farmingdale, New York-11735 at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this connection.

**RESOLVED FURTHER THAT** the Relevant Date, as per the SEBI (ICDR) Regulations for the determination of issue price of the equity shares to be allotted pursuant to the preferential allotment is fixed as August 30, 2013 i.e. 30 days prior to the date of shareholders meeting proposed to be held on September 30, 2013, to approve the proposed preferential issue, in terms of Section 81(1A) of the Companies Act.

**RESOLVED FURTHER THAT** the equity shares to be allotted to the proposed allottee pursuant to the aforesaid preferential allotment shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of ₹ 1/- each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares and listing of the equity shares to be allotted on preferential allotment basis with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

**By Order of the Board of Directors**

FOR DYNACONS TECHNOLOGIES LTD.

**Shirish M. Anjaria**  
Chairman & Managing Director

**Parag J. Dalal**  
Director

**Place :** Mumbai  
**Date :** September 4, 2013

**Registered Office**  
78, Ratnajyot Industrial Estate,  
Irla lane, Vile Parle (West),  
Mumbai - 400056

**NOTES:**

1. 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.
2. 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.
3. 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.
4. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 24th day of September, 2013 to Monday, the 30th day of September, 2013. (both days inclusive).
6. 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.
7. 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.
8. 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 above is annexed hereto.
9. 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.
10. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE741L01018.
11. Annual Listing fees for the year 2013-14 has been paid to all stock exchange wherein shares of the company are listed.
12. As per the provisions of Companies Act 1956, facility for making nomination is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Registrars of the Company.
13. 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.
14. The Ministry of Corporate Affairs has taken a "**Green Initiative in the Corporate Governance**" by allowing paperless 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 of Directors**FOR **DYNACONS TECHNOLOGIES LTD.**

**Shirish M. Anjaria**  
Chairman & Managing Director

**Parag J. Dalal**  
Director

**Place :** Mumbai  
**Date :** September 4, 2013

**Registered Office**  
78, Ratnajyot Industrial Estate,  
Ira lane, Vile Parle (West),  
Mumbai - 400056

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) of the Companies Act, 1956 in respect of item no. 4, 5, 6 & 7 of the notice as set out herein before is annexed hereto.**

#### **ITEM NO. 4**

The Present Authorized Share Capital of the Company is ₹ 6,00,00,000 (Rupees Six Crores Only) divided into 6,00,00,000 Equity shares of ₹ 1/- each. Keeping in view the expansion plans of the Company for the future, the Company is planning to increase the Capital to ₹ 8,00,00,000 (Rupees Eight Crores Only) divided into 8,00,00,000 Equity shares of ₹1/- each ranking pari passu with the existing Equity Shares. In order to carry out the expansion plans of the Company, it is required that more capital resource be arranged. In view of this, the Board of Directors of the Company recommend in infusing more capital.

The proposal for Increase in Authorised Share Capital requires the approval of the Members of the Company in General Meeting under Section 94 of the Companies Act, 1956. The Board of Directors recommend passing the necessary Resolution.

None of the Director is interested in this Resolution except as a member of the Company..

#### **ITEM NO. 5**

The Increase in Authorised Share Capital would necessitate amendment to Clause V of the Memorandum of Association of the Company and would require member's approval by passing an Ordinary Resolution.

#### **ITEM NO.6**

The Board of Directors of the Company at its meeting held on September 4, 2013, inter alia, proposed, subject to the approval of Members by way of a special resolution, to enhance the said FIIs and NRIs/PIOs investment ceiling limit upto 75% of the equity paid up capital of the Company under the FDI Route. The resolution set out in the accompanying Notice will enable the FIIs and NRIs/PIOs to acquire shares of the Company through preferential allotment or through authorized dealers within the revised ceiling under the Foreign Direct Investment Scheme under automatic route.

The activities in which the Company is engaged in is eligible for Foreign Direct Investment (FDI) under the Automatic route up to 100%. Hence, the Board of Directors recommends the special resolution set out in the Notice for your approval.

It may be noted that Directors who are members of the Company, may be deemed to be concerned or interested in this Resolution only to the extent of their respective Shareholding in the Company to the same extent as that of every other member of the Company.

#### **ITEM NO. 7**

The funds obtained by the Company through the investment by Mr. Aron Govil may be used to inter alia, fund the Company's growth capital requirements, enhance its long term resources and thereby strengthening the financial structure of the Company and for other general corporate purposes and purposes permitted by applicable laws.

The Board of Directors of the Company on September 4, 2013, subject to necessary approval(s), has approved the proposal for raising funds upto ₹ 1.90 Cr., by way of issue of equity shares to Mr. Govil on preferential allotment basis.

Pursuant to provisions of Section 81 (1A) of Companies Act, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. Further, in terms of Regulation 73 of SEBI (ICDR) Regulations, 2009, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

None of the Directors is interested in the resolution except as the Member of the Company.

#### **1. Objects of the preferential issue :**

The proceeds of the preferential offer are proposed to be used to augment funds to inter alia fund the Company's growth capital requirements, enhance its long term resources and thereby strengthening the financial structure of the Company and for other general corporate purposes and purposes permitted by applicable laws.

#### **2. The intention of the Promoters/Directors/key management persons to subscribe to the offer:**

Promoters/Directors/Key Management Personnel do not intend to subscribe the offer.

**3. Relevant Date and Pricing of the Issue :**

The Relevant Date as per the SEBI (ICDR) Regulations for the determination of issue price of the equity shares pursuant to the aforesaid preferential allotment is fixed as August 30, 2013 i.e. 30 days prior to the date of shareholders meeting proposed to be held on September 30, 2013, to approve the proposed preferential issue, in terms of Section 81(1A) of the Companies Act.

**4. Pricing of Preferential Issue:**

The equity shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations. Since the Company is listed on both Bombay Stock Exchange Limited and National Stock Exchange of India Limited, the trading volume of securities of the Company on both the stock exchanges is considered to determine the highest trading volume for computation of issue price.

Further, for the proposed allotment of equity shares to be made to Mr. Govil, the proposed issue price is required to be made at a price determined in accordance with Regulation 76(1) of the SEBI (ICDR) Regulations. Accordingly, for the proposed allotment(s) of equity shares to be made to Mr. Govil, the issue price shall be ₹ 1/- (Rupee One) per share, as computed by taking into consideration the prices quoted on Bombay Stock Exchange of India Limited (being the recognized stock exchange on which the highest trading volume in respect of equity shares of the Company has been recorded during the preceding 26 weeks or 2 weeks whichever is higher prior to the Relevant Date). As required under the ICDR Regulations, wherever it is required, the Company shall re-compute the issue price mentioned above in accordance with the ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottee, i.e., Mr. Govil within the time stipulated under the ICDR Regulations, the equity shares allotted to Mr. Govil shall continue to be locked in till the time such amounts are paid by Mr. Govil.

**5. Identity of the ultimate beneficial owner of allotted shares:**

Identity of ultimate beneficial owner	No. of Equity Shares to be allotted	Issue Price (INR) of Equity Shares	% of Post Issue Preferential Capital Holding
Mr. Aron Govil	Upto 1,90,00,000	₹ 1/-	24.22

**6. Shareholding Pattern before and after the offer :**

The Shareholding Pattern of the Company, before and after the Preferential Allotment would be as follows:

Category of Shareholders	Pre-Issue (As on 23.08.2013)		Post Issue (After Allotment of Equity Shares)	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
<b>A. Promoters Shareholding</b>				
Promoters-individual	12832684	21.60	12832684	16.36
Promoter-Bodies corporate	15347968	25.82	15347968	19.57
Foreign	NIL	NIL	NIL	NIL
<b>Sub Total</b>	<b>28180652</b>	<b>47.42</b>	<b>28180652</b>	<b>35.93</b>
<b>B. Public Shareholding</b>				
<b>I. Institutional Investors</b>				
Mutual Funds	NIL		NIL	
Financial Institutions/Banks	NIL		NIL	
Foreign Institutions/Banks	NIL		NIL	
Venture capital funds/ insurance co.	NIL		NIL	
<b>II. Non-Institutional Investors</b>				
Bodies Corporate	4022392	6.77	4022392	5.13
Resident Individuals/HUF	26686299	44.91	26686299	34.03
NRIs	462437	0.78	19462437	24.82
Foreign Corporate Bodies	NIL		NIL	
Others	71320	0.12	71320	0.09
<b>Sub Total</b>	<b>31242448</b>	<b>52.58</b>	<b>50242448</b>	<b>64.07</b>
<b>Total(A+B)</b>	<b>59423100</b>	<b>100</b>	<b>78423100</b>	<b>100</b>

**7. Proposed time within which the allotment shall be completed:**

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

**8. Approvals :**

The Company is taking necessary steps to obtain the required approvals from the Stock Exchange, SEBI or any other regulatory agency as may be applicable, for the proposed preferential issue of Equity Shares.

**9. Change in control:**

There shall be no change in management or control of the Company pursuant to the issue of equity shares.

**10. Holding of Shares in D-mat Account, Non-Disposal of Shares by the proposed allottee and lock-in period of shares :**

The proposed allottee do not hold any Pre- issued shareholding of the Company therefore, they have not sold or disposed off any Equity Share of the company during the six months period prior to the relevant date and further they will not sale or dispose off any shares held by them during the period of six months from the date of allotment of the Shares on Preferential Basis. The Equity Shares so allotted shall be under the lock-in period of One Year from the date of receipt of trading approval from Stock Exchange.

**11. Others:**

The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations shall be placed before the shareholders at the meeting.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 81(1A) of the Companies Act and Chapter VII of the SEBI (ICDR) Regulations. Your Directors, therefore, recommend the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the above referred resolution.



**DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE - APPOINTMENT  
(In Pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Mr. Viren Shah
Age	46
Date of Appointment on the Board	January 25, 2011
Qualifications	Advance Post Graduate in Computer and System management. Certificate in Oracle/SQL & RDBMS Concepts.
Expertise	Wide 21 Years of Experience across a variety of industries & expertise in System Analysis, Design & Administration
Directorships held in other Public Companies (excluding Foreign and Private Companies)	-
Memberships/Chairmanships of Committees across public companies	2

**By Order of the Board  
FOR DYNACONS TECHNOLOGIES LTD.**

**Shirish M. Anjaria**  
Chairman & Managing Director

**Parag J. Dalal**  
Director

Date: September 4, 2013

**Registered Office**

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

## DIRECTORS' REPORT

Your Directors are pleased to present the Fourth Annual Report of your Company for the period ended March 31, 2013.

### 1. Financial Highlights

(₹ In Lacs)

Sr No.	Particulars	Year ended 31/03/2013	Year ended 31/03/2012
1.	Total Income	3215.19	2428.64
2.	Total Expenditure	3016.59	2249.31
3.	Interest	95.16	76.45
4.	Depreciation	87.97	82.67
5.	Profit before Tax	15.47	20.21
6.	Provision for Taxation - Current Tax	3.06	3.86
	- Deferred Tax	0.96	4.46
	- MAT Credit	0.99	(2.52)
7.	Profit after tax	10.47	14.41

### Management Analysis and Discussions

#### Company Performance

During the year, your Company earned total revenues of ₹ 3215.19 lacs compared with ₹ 2428.64 lacs during the previous year. The profit before tax stood at ₹ 15.47 lacs. The Company has made a provision of tax totaling to ₹ 5.01 lacs and the profit after tax stood at ₹ 10.47 lacs for the current year.

Your Company is leveraging its core competencies, alliances and customer relationships to achieve marketplace success by carving out a niche position through an appropriate mix of products, services and cutting edge technology integration. We will continue to look for niche demand areas, which offer opportunities for incremental revenue earnings growth.

#### Review of Operations

The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern. The uncertainties of policy direction, the weakening of the rupee together with the extreme volatility in India and the global shift in the marketplace from PCs to tablets and smartphones, made the year gone by very unpredictable. Across markets, technology and innovation are being seen as growth drivers. Investment in innovation has emerged as a differentiator in the market place. Investment in technology has been enabling companies to connect with customers and influence their purchase decisions on a real-time basis. As a result, spending on technology and related services grew at a rate faster than the GDP growth.

Our diversity in terms of a large bouquet of products lines and vendors and geographical reach has enabled your Company to take maximum advantage of the available growth opportunities. Cloud Computing is slowly gaining traction in the Indian Market. Your Company proactively engaged with vendors to take initial steps in the field of Cloud Computing with the objective of being ready with appropriate offerings when the change materializes.

PC penetration in the country continues to remain at one of the lowest levels in the emerging economies and has huge headroom for growth. The increased availability of products and technology across the geographical spread of the country while providing the necessary financial credit structure that has been key to the explosive growth of this industry. Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices.

Your Company has adopted a sustained efficiency program across the enterprise. This includes working towards improving cash collection, controlling expenditure and optimizing wherever possible. These measures are showing visible success. Your Company has demonstrated leadership, remained disciplined in execution and faced a volatile market with a positive 'can do' attitude.

The Company continues to focus on both extension of geographic reach in emerging growth markets, developing well-balanced product lines as well as on development & growth of new customer accounts.

The Company's focus will be on making strategic alliances with global IT product companies and on further expansion of its delivery and support infrastructure across the country. Looking towards the future, your Company will remain focused on agility, innovation and operational excellence.

### **Strengths**

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

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

### **Quality**

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

Several initiatives have been taken to implement result oriented quality management models. In order to be able to respond quickly to the customers, your Company continues with various internal initiatives to compete effectively, improve organizational flexibility and efficiency, streamline internal processes across all its entities globally and institutionalize a culture of continuous improvement.

Company is continuously endeavoring to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down systems and policies are comprehensively and frequently monitored by management at all levels of organization. Moving forward, your Company shall continue to further strengthen its processes by adopting best-in-class standards.

### **Outlook**

We have built a strong foundation and with IT spending on a rebound, the outlook for the future is robust. We believe that with our diverse portfolio of solutions and services, domain expertise and increasing value-add to customers, we are best suited to be a strategic partner to our customers. Your Company is also exploring distribution in other areas such as Telecom products and Consumer Durables, thereby leveraging in its infrastructure and of course optimizing its core competency. The Company is undertaking several key initiatives including enhancement of existing skill sets and domain knowledge for providing implementation and application services to customers on behalf of its vendors and partners. Opportunities in value added distribution where vendors are increasingly looking at their partners to add to their own efforts at market development and demand generation activities are also possible areas of differentiation as compared to its competitors.

### **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.

Proliferation of small players with limited infrastructure commitments and hence vastly reduced cost structure is an increasing concern. The convergence of IT and Telecommunication industries, while provide huge growth opportunities to your Company, also exposes it to increased competition. The growth in the economy and IT industry is expected to lead to increase in attrition next year.

### **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.

### **Directors**

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Viren 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.

## **Auditors**

M/s P. C. Ghadiali & Co., Chartered Accountants who are the Statutory Auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment.

## **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.

## **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.

## **Human Resource Management**

The Company continues to place significant importance on its Human Resource and enjoys cordial relations at all levels. Your Company firmly believes that its success is inherently linked to the quality of human capital at its disposal.

The Performance Management System has undergone considerable improvement and has enabled sharpening of the process of setting goals and major initiatives. Ensuring a transparent, cohesive, conducive and professional working environment, which rewards its employees on merit, remains among your Company's primary commitments and objectives.

During the year, the organization structures of all key functions have been reviewed and strengthened so as to facilitate delivery of business goals. We have also set up a scalable recruitment and human resources management process. The Company offers a growth environment along with monetary benefits in line with industry standards.

## **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.

## **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.

## **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** : ₹ Nil (previous year ₹ 1.01 lacs)

#### **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 M. Anjaria**  
Chairman & Managing Director

**Parag J. Dalal**  
Director

Mumbai: May 29, 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 envisages the attainment of the highest levels of fairness, transparency, accountability and equity in all facets of its operations, and in all interactions with its stakeholders, including the shareholders, employees, customers, vendors and the society at large. With the objective of conducting its business in a highly professional and ethical manner and thereby enhancing trust and confidence of all its stakeholders, the Company has planned to devise a framework for compliance of Corporate Governance norms.

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

The Company has an Executive Chairman and the numbers of Independent Directors are 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 composition of the Board of Directors and also the number of other Board of Directors of which they are 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 of other Board Committee
Mr. Shirish M. Anjaria	Chairman and Managing Director	Yes	5	1	-
Mr. Parag J. Dalal	Director	Yes	5	1	-
Mr. Dharmesh S. Anjaria	Director	Yes	5	1	-
Mr. Mukesh P. Shah	Independent Non Executive	No	4	4	2
Mr. Dilip P. Palicha	Independent Non Executive	Yes	4	-	-
Mr. Viren C. Shah	Independent Non Executive	No	3	2	2

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

The Number of Directorships and the positions held on Board Committees by the Directors are in conformity with the limits on the number of Directorships and Board committee positions as laid down in the Companies Act, 1956 and the Listing Agreement.

Five Board Meetings were held during the year 2012-2013. The dates on which the Board Meetings were held are as follows:

May 30, 2012, July 30, 2012, August 24, 2012, November 9, 2012 and February 14, 2013.

The Board Meetings were held at the Registered Office of the Company. The brief agenda were sent in advance to the directors.

Particulars of Directors 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 is as under,

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

The Committee is chaired by Mr. Mukesh Shah, Chartered Accountant. All the members of the Committee are Independent Directors having knowledge of Finance, Accounts and Company Law.

The Audit Committee met Four times during the financial year 2012-2013 on the following date: May 30, 2012, August 8, 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 for payment for 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 Directors after considering the company's performance.
- To review, assess and recommend the remuneration of the Chairman and Managing Director and the Directors, if appointed.

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. The committee is chaired by Mr. Viren Shah. The Remuneration committee met once during the year.

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

##### Details of Remuneration to the Chairman cum Managing Director for the year ended March 31, 2013:

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

# DYNACONS

## Technologies Ltd.

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

### 5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

#### Functions

The Shareholders Committee is chaired by Mr. Dilip Palicha. 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. Dilip Palicha	Non-Executive & Independent Director	4
Mr. Viren Shah	Non-Executive & Independent Director	4
Mr. Mukesh Shah	Non-Executive & Independent Director	4

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, if approved by the committee are placed at the Board meetings from time to time.

During the year under review, 30 queries/complaints were received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints/queries outstanding as on March 31, 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 both the Stock Exchanges post the shares of the Company were listed on Exchanges. The Company received its listing and trading approval for its Equity shares w.e.f. October 9, 2013.

### 7. GENERAL BODY MEETINGS

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

- **3<sup>rd</sup> AGM** : September 28, 2012 at 3.30 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.  
Number of Special Resolutions passed : One  
1) Power to borrow Funds as per Section 293(1)(d)  
**Extra-ordinary General Meeting ( EGM )** of the Company was held on April 30, 2012 at 4.00 P.M. at 78, Ratnajyot Industrial Estate, Irla lane, Vile Parle (W), Mumbai - 400056 for Appointment of Shirish Anjaria as a Chairman cum Managing Director.
- **2<sup>nd</sup> AGM** : September 29, 2011 at 4.00 P.M at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.  
Number of Special Resolutions passed : Nil
- **1<sup>st</sup> AGM** : September 28, 2010 at 2.00 Noon at 78, Ratnajyot Industrial Estate, Irla lane, Vile Parle (W), Mumbai - 400056  
Number of Special Resolutions passed : Two.  
1) Appointment of Shirish Anjaria as a Chairman cum Managing Director.  
2) Deletion of existing articles of the Articles of Association and adoption of new set of Articles  
**Extra-ordinary General Meeting ( EGM )** of the Company was held on December 10, 2010 at 2.00 P.M. at 78, Ratnajyot Industrial Estate, Irla lane, Vile Parle (W), Mumbai - 400056 for Increasing the Authorised Capital of the Company from Rs. 15,000,000 to Rs. 60,000,000.

### 8. CODE OF CONDUCT

The Board of Directors has laid down Code of conduct for all Board Members and Senior Management of the Company.

### 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 reviewed 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.dtlindia.com](http://www.dtlindia.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 30th 2013 at 3:30 P.M.
- Venue	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400058

### 11.2 Financial Calendar: - **April'13 – March'14** (Tentative calendar - post listing of shares on Stock Exchanges)

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 May

### 11.3 Book Closure Date

24th September, 2013 to 30 September, 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	N.A.
The National Stock Exchange of India Ltd.	N.A.
(b) Listing of Global Depository Receipts	N.A.
(c) Demat ISIN numbers in NSDL & CDSL	INE741L01018
(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) (₹)		National Stock Exchange (NSE) (₹)	
	Month's high price	Month's low price	Month's high price	Month's low price
Oct. 2012	4.50	1.85	4.20	1.75
Nov. 2012	2.60	1.63	2.60	1.70
Dec. 2012	1.69	1.16	1.65	1.20
Jan. 2013	1.40	0.97	1.35	1.00
Feb. 2013	1.05	0.67	1.00	0.60
Mar. 2013	0.79	0.56	0.80	0.40

**Note:** The Company received its listing and trading approval for its Equity shares w.e.f. October 9, 2013.

## 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 : 022-28470652/3

Fax: 022-28475207

## 11.8 Share Transfer System :

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

## 11.9 Distribution of Shareholding as on March 31, 2013

No of Equity Shares	No of Folios	%	Total Holding in ₹	%
1-5000	15824	94.21	13641988	22.96
5001-10000	570	3.39	3959858	6.66
10001-20000	216	1.29	3039584	5.12
20001-30000	88	0.52	2277035	3.83
30001-40000	27	0.16	921280	1.55
40001-50000	11	0.07	502335	0.85
50001-100000	26	0.16	1816581	3.05
100001 & above	34	0.20	33264439	55.98
<b>Total</b>	<b>16796</b>	<b>100</b>	<b>59423100</b>	<b>100</b>

## 11.10 Shareholding of Directors

Sr.No.	Name of Directors	No. of Shares	Percentage (%)
1	Mr. Shirish Anjaria	2707212	4.56
2	Mr. Dharmesh Anjaria	2671750	4.50
3	Mr. Parag Dalal	2604100	4.38

## 11.11 Dematerialization of Shares as on March 31, 2013

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
5,94,23,100	2,40,75,240	40.51	3,53,47,860	59.49

## 11.12 Shareholding Pattern as on March 31, 2013

Category	No of Shares held	Percentage of Shareholding
Indian Promoters	28180652	47.42%
Private Corporate Bodies	4070090	6.85%
Indian Public	26627699	44.81%
Clearing Member / Transit	81622	0.14%
NRIs/OCBs	463037	0.78%
<b>Total</b>	<b>59423100</b>	<b>100.00%</b>

## 11.13 Outstanding GDRs / ADRs

: N.A

## 11.14 Compliance Officer

: Dharmesh S. Anjaria

Krishna Mehta

(resigned w.e.f. 14th Feb, 2013)

**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 Technologies Ltd**

78,Ratnajyot Ind. Estate,  
Irla Lane, Vile Parle (west),  
Mumbai – 400 056  
Email: [investor@dtlindia.com](mailto:investor@dtlindia.com)  
Cont No. 022-66889900

**11.16 Corporate Ethics:**

The consistent endeavor of Dynacons Technologies Ltd is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end.

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

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

Further certified that the Members of the Board of 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, September 4, 2013

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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The Board of Directors

**Dynacons Technologies Ltd.**

Mumbai.

We have examined the compliance of the conditions of Corporate Governance by Dynacons Technologies Limited for the year ended 31<sup>st</sup> March, 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: September 4, 2013

September 4, 2013

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

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

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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 Technologies Ltd**

**Shirish M. Anjaria**  
Chairman & Managing Director

**Parag J. Dalal**  
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 TECHNOLOGIES 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 29, 2013

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### DYNACONS TECHNOLOGIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013 (Referred to in paragraph (2) 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 Company has not disposed of any substantial part of its fixed assets so as to affect the going concern assumption.
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 2012 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 29, 2013

**Balance Sheet as at 31 March, 2013**

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	594.23	594.23
(b) Reserves and surplus	2	1,799.41	1,788.94
		2,393.64	2,383.18
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	3	77.16	76.20
(b) Long-term provisions	4	3.56	2.53
		80.72	78.74
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	656.69	502.78
(b) Trade payables	6	125.01	414.86
(c) Other current liabilities	7	13.33	11.30
		795.03	928.94
<b>TOTAL</b>		3,269.40	3,390.85
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible assets	8	356.92	371.75
		356.92	371.75
(b) Non-current investments	9	500.00	500.00
(c) Long-term loans and advances	10	988.16	1,072.52
(d) Other Non-current Assets	11	4.06	0.21
		1,849.14	1,944.48
<b>2 Current assets</b>			
(a) Inventories	12	496.28	547.82
(b) Trade receivables	13	719.05	796.60
(c) Cash and cash equivalents	14	197.93	94.99
(d) Short-term loans and advances	15	0.50	0.41
(e) Other current assets	16	6.51	6.56
		1,420.26	1,446.37
<b>TOTAL</b>		1,420.26	1,446.37
Notes on Financial Statements	1-24	3,269.40	3,390.85

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

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

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

**Shirish Anjaria**  
Chairman and Managing Director

**Parag Dalal**  
Director

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

**Dharmesh Anjaria**  
Director

Mumbai : **May 29, 2013**

Mumbai : **May 29, 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
<b>1 INCOME</b>			
(a) Revenue from operations (gross)	17	3,204.58	2,420.71
(b) Other income	18	10.61	7.93
<b>2 Total revenue</b>		3,215.19	2,428.64
<b>3 EXPENSES</b>			
(a) Purchases	19	2,895.55	2,419.69
(b) Changes in inventories	20	51.54	(226.42)
(c) Employee benefits expense	21	37.48	32.16
(d) Finance costs	22	95.16	76.45
(e) Depreciation and amortisation expense		87.97	82.67
(f) Other expenses	23	32.02	23.87
<b>4 Total expenses</b>		3,199.72	2,408.43
<b>5 Profit / (Loss) before tax</b>		15.47	20.21
<b>6 Tax expense:</b>			
(a) Current tax expense		3.06	3.86
(b) Less : MAT Credit		0.99	(2.52)
(c) Deferred tax		0.96	4.46
		5.01	5.81
<b>7 Profit / (Loss) for the year</b>		10.47	14.41
<b>8 Earnings per share (of ₹ 1/- each):</b>			
Basic and Diluted (in ₹)		0.02	0.02
Notes on Financial Statements	1-24		

## 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 29, 2013**

## For and on behalf of the Board of Directors

**Shirish Anjaria**  
Chairman and Managing Director

**Parag Dalal**  
Director

**Dharmesh Anjaria**  
Director

Mumbai : **May 29, 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
<b>A CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax and extraordinary item</b>	15.47	20.21
Add: Depreciation	87.97	82.67
(Profit)/Loss on sale of Fixed Assets	1.16	1.53
Interest Paid	95.16	76.45
	<u>184.29</u>	<u>160.65</u>
<b>Operating profit before working Capital</b>	199.76	180.87
Changes in current assets and Liabilities		
(Increase)/Decrease in Inventories	51.54	(226.42)
(Increase)/Decrease in Trade & Other Receivable:	162.71	39.15
Increase/(Decrease) in current Liabilities & Provision	(136.93)	273.56
	<u>77.32</u>	<u>7.99</u>
<b>Cash Generated from Operations</b>	277.09	188.86
Taxes Paid	4.68	0.00
<b>Net Cash Flow from operating activities</b>	<u>281.77</u>	<u>188.86</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(74.30)	(110.27)
<b>Net Cash Used for Investing Activities</b>	<u>(74.30)</u>	<u>(110.27)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) In Secured/Unsecured Loans	0.00	(1.01)
Interest Paid	(95.16)	(76.45)
<b>Net cash From Financing Activities</b>	<u>(95.16)</u>	<u>(77.46)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	102.94	1.12
Cash and Cash Equivalents (Opening Balance)	94.99	93.87
Cash and Cash Equivalents (Closing Balance)	197.93	94.99
	<u>102.94</u>	<u>1.12</u>

### Notes

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

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

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

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

**Shirish Anjaria**  
Chairman and Managing Director

**Parag Dalal**  
Director

**Dharmesh Anjaria**  
Director

**Mumbai : May 29, 2013**

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

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

**SIGNIFICANT ACCOUNTING POLICIES :****1. Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles, provisions of the Companies Act, 1956 and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules 2006, as adopted consistently by the company.

**2. Use of Estimates**

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

**3. Revenue Recognition**

Revenue relating to equipment supplied is recognized on delivery to the customers and acknowledgement thereof, in accordance with the terms of the individual contracts. Revenue from the sale of software products is recognised when the sale has been completed and the title has been passed to the client.

**4. Expenditure Recognition**

Expenses are accounted on the accrual basis and provisions for all known losses and liabilities are made. Provisions are made for future unforeseeable factors, which may affect the ultimate profit.

**5. 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.

**6. Fixed Assets & Intangible Assets**

Fixed Assets are stated at their cost less accumulated depreciation. Fixed assets are capitalised at the cost of acquisition including all expenses directly attributable to bringing the asset to its working condition for intended use. Capital Work-in-Progress comprises the costs of fixed assets that are not ready for the intended use at the Balance Sheet date and includes advances paid to acquire fixed assets. No depreciation has been calculated on the same. Fixed Assets which are not in active use and scrapped, due to technological obsolescence or otherwise, are written off. Intangible Assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

**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 shall be charged as an expense as they fall due.

#### **Defined Benefit plan**

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

### **ii. Short-term employee benefits**

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

## **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.

# DYNACONS

Technologies Ltd.

Notes forming part of the financial statements for the financial year ended 31<sup>st</sup> March, 2013

(₹ in Lakhs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
<b>1 SHARE CAPITAL</b>		
(a) Authorised Share Capital 60,000,000 Equity shares of ₹ 1/- each (Previous Year 60,000,000 Equity shares of ₹ 1/- each.)	600.00	600.00
(b) Issued, Subscribed and Paid up : 59,423,100 Equity shares of ₹ 1/- each	594.23	594.23

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
Equity Shares at the beginning of the year	59,423,100	59,423,100
Equity Shares at the end of the year	59,423,100	59,423,100

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
Dynacons Systems & Solutions Limited		
No. of Shares	15,000,000	15,000,000
% held	25.24%	25.24%

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 ₹1 per share. Each shareholder is eligible for one vote per share held.

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

1.7 No equity share shares been bought back since incorporation

## 2 RESERVES & SURPLUS

(a) <b>General reserve</b> As per last Balance Sheet	1,769.18	1,769.18
(b) <b>Surplus in Statement of Profit and Loss</b> As per last Balance Sheet	19.76	5.36
Add: Profit for the year	10.47	14.41
Closing Balance	30.23	19.76
<b>Total</b>	1,799.41	1,788.94



**3 DEFERRED TAX LIABILITY NET**

Deferred Tax Liability Related to fixed assets	77.79	76.85
Deferred Tax Assets Disallowances under the Income Tax Act, 1961	0.62	0.64
<b>Total</b>	<b>77.16</b>	<b>76.20</b>

**4 LONG TERM PROVISIONS**

(a) Provision for employee benefits: Provision for other defined benefit plans (Refer Note 21.1)	3.56	2.53
<b>Total</b>	<b>3.56</b>	<b>2.53</b>

**5 SHORT TERM BORROWINGS**

Secured Working Capital Loans From banks	656.69	502.78
<b>Total</b>	<b>656.69</b>	<b>502.78</b>

**5.1** Working capital loans include Discounting of Bills Limits and are secured by hypothecation of invoices and delivery challans duly acknowledged by the customers along with Bill of Exchange duly accepted by the Drawee

**6 TRADE PAYABLES**

Micro, Small and Medium Enterprises	-	-
Others	125.01	414.86
<b>Total</b>	<b>125.01</b>	<b>414.86</b>

**8 FIXED ASSETS**

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Depreciation				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 31-03-2013	WDV as on 31-03-2013	WDV as on 31-03-2012
<b>I</b>	<b>Tangible Assets</b>										
1	Furnitures & Fixtures	2.22	-	-	2.22	1.39	0.14	-	1.53	0.69	0.83
2	Vehicles (Cars)	12.25	-	-	12.25	5.27	1.16	-	6.44	5.81	6.97
3	Office Equipment	2.79	0.18	-	2.97	0.53	0.13	-	0.67	2.30	2.25
4	Computer	492.85	137.75	117.66	512.94	131.16	86.54	52.87	164.82	348.12	361.69
	Total (Current Year)	510.10	137.93	117.66	530.37	138.35	87.97	52.87	173.45	356.92	371.75
	Total (Previous Year)	505.52	156.86	152.27	510.10	159.84	82.67	104.15	138.35	371.75	345.68

<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of long-term debt	-	1.01
	Statutory remittances	4.56	3.96
	Payable to Staff	8.77	6.33
	<b>Total</b>	<b>13.33</b>	<b>11.30</b>
<b>9</b>	<b>NON-CURRENT INVESTMENTS</b>		
A.	<b>Trade Investments</b>		
	<b>In Equity Shares - Unquoted, fully paid up</b>		
	Ganpati Intradex Pvt Ltd	500.00	500.00
	(50,00,000 (Previous year 50,00,000) Equity Shares of ₹ 10 each, fully paid up)		
	Aggregate value of Unquoted Investments		
	<b>Total</b>	<b>500.00</b>	<b>500.00</b>
<b>10</b>	<b>Long Term Loans And Advances</b> (Unsecured and considered good)		
	Security deposits	-	-
	Advance income tax (Net of provisions)	3.16	2.52
	Other loans and advances	985.00	1,070.00
	<b>Total</b>	<b>988.16</b>	<b>1,072.52</b>
<b>11</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Duties & Taxes	4.06	0.21
	<b>Total</b>	<b>4.06</b>	<b>0.21</b>
<b>12</b>	<b>INVENTORIES</b>		
	Stock-in-trade	496.28	547.82
	<b>Total</b>	<b>496.28</b>	<b>547.82</b>
<b>13</b>	<b>TRADE RECEIVABLES</b> (Unsecured and Considered Good)		
	Over six months	25.66	18.07
	Other Trade receivables	693.39	778.53
	<b>Total</b>	<b>719.05</b>	<b>796.60</b>
<b>14</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash on hand	5.47	1.95
	Balances with banks :		
	In current accounts	68.56	0.51
	In deposit accounts	123.90	92.54
	<b>Total</b>	<b>197.93</b>	<b>94.99</b>

14.1 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	-	25.81	98.08
<b>15</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>(Unsecured and Considered Good)</b>		
Loans and advances to employees		0.50	0.41
	<b>Total</b>	<u>0.50</u>	<u>0.41</u>
<b>16</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>(Unsecured and Considered Good)</b>		
Duties & Taxes		6.51	6.56
	<b>Total</b>	<u>6.51</u>	<u>6.56</u>
<b>17</b>	<b>REVENUE FROM OPERATIONS</b>		
Sale of Information Technology Products		3,204.58	2,420.71
	<b>Total</b>	<u>3,204.58</u>	<u>2,420.71</u>
<b>18</b>	<b>Other Income</b>		
Interest income		8.42	7.93
Commission Received		2.19	-
	<b>Total</b>	<u>10.61</u>	<u>7.93</u>
18.1	Interest income comprises:		
	Interest from banks on:		
	deposits	8.42	7.93
	<b>Total - Interest income</b>	<u>8.42</u>	<u>7.93</u>
<b>19</b>	<b>PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Information Technology Products		2,895.55	2,419.69
	<b>Total</b>	<u>2,895.55</u>	<u>2,419.69</u>
<b>20</b>	<b>Changes in inventories</b>		
Inventories at the end of the year:			
Finished goods		496.28	547.82
		<u>496.28</u>	<u>547.82</u>

Inventories at the beginning of the year:		
Finished goods	547.82	321.40
	<u>547.82</u>	<u>321.40</u>
<b>Total</b>	<u>51.54</u>	<u>226.42</u>

**21 EMPLOYEE BENEFITS EXPENSE**

Salaries and wages	37.48	32.16
<b>Total</b>	<u>37.48</u>	<u>32.16</u>

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

Sr. No.	Particulars	2013 Amount (₹)	2012 Amount (₹)
<b>I.</b>	<b>Assumptions :</b>		
	Discount Rate	8.25%	8.25%
	Salary escalation rate	4.00%	4.00%
<b>II.</b>	<b>Table Showing Change in Benefit Obligation :</b>		
	Liability at the beginning of the year	2.15	1.66
	Interest Cost	NIL	NIL
	Current Service Cost	0.06	0.49
	Past Service Cost (Non Vested Benefit)	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL
	Benefit Paid	NIL	NIL
	Balance	2.09	2.15
	Actuarial (gain)/loss on obligations	NIL	NIL
	Liability at the end of the year	2.09	2.15
<b>III.</b>	<b>Amount Recognized in the Balance Sheet</b>		
	Liability at the end of the year	2.09	2.15
	Fair Value of Plan Assets at the end of the year	NIL	NIL
	Difference	2.09	2.15
	Unrecognized Past Service Cost	NIL	NIL
	Amount Recognized in the Balance Sheet	2.09	2.15
<b>IV.</b>	<b>Expenses Recognized in the Income Statement</b>		
	Current Service Cost	0.06	0.49
	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	0.06	0.49

**22 FINANCE COST**

Interest expense	95.16	76.45
<b>Total</b>	<u>95.16</u>	<u>76.45</u>

**23****Other Expenses**

Auditors Remuneration - For Services as Auditors	1.01	0.28
Bank Charges	8.63	4.45
Business Promotion Expenses	3.10	0.95
Communication Expenses	1.38	0.94
Conveyance and Travelling Expenses	1.24	3.15
Electricity Expenses	1.67	1.40
Insurance Charges	0.30	0.07
Legal and Professional charges	1.65	0.63
Loss on sale/write-off of Assets	1.16	1.53
Membership and Subscriptions	0.13	0.10
Miscellaneous Expenses	1.72	2.98
Motor Car Expenses	3.09	2.43
Printing and Stationary Expenses	0.54	0.88
Rates & Taxes	1.51	0.04
Rent Charges	1.20	1.20
Repairs & Maintenance - Building	0.17	0.13
Repairs & Maintenance - Others	0.52	0.31
Staff Welfare Expenses	0.49	0.69
Transportation Expenses	2.51	1.73
<b>Total</b>	<b>32.02</b>	<b>23.87</b>

**Additional Information to the financial statements**

**24.1 Contingent Liabilities**

- a) Claims against the Company not acknowledged as debts: NIL  
b) Guarantees given by the company's bankers : NIL

**24.2 Expenditure in Foreign Currency**

Particulars	2013	2012
Travelling Expenses	NIL	₹ 1.01

**24.3 Auditors Remuneration**

Particulars	2013	2012
Audit Fees & Consultancy	₹ 1.01	₹ 0.28

**24.4 Segment Information**

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

**24.5 Related Party Disclosures**

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

S. P. Corporation	Firm in which Directors have substantial interest.
Shirish M. Anjaria	Chairman and Managing Director
Parag J. Dalal	Director
Dharmesh S. Anjaria	Director
Trigem Infosolutions Limited	Company in which Directors have substantial interest.
Dynacons System & Solution 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	1.20	1.20
M/s S.P. Corporation	Reimbursement of Expenses	0.17	0.13
Mr. Shirish M. Anjaria	Remuneration	7.20	7.20
Dynacons System & Solution Limited	Investment in Share Capital	150.00	150.00
Dynacons System & Solution Limited	Amount receivable / (payable) as at year end	5.12	31.37

**24.6 Earnings per Share (Basic and Diluted)**

Particulars	Units	Year Ended March 31, 2013	Year Ended March 31, 2012
Profit after Tax	(₹ / lakhs)	10.47	14.41
No of Equity Shares	Nos.Lakhs	59.423,100	59.423,100
Earnings Per Share (of paid up Value of ₹ 1 each)	₹	0.02	0.02

**24.7 Lease Commitments****Operating Lease**

The company has taken office premises on lease under cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 1.20 (Previous year ₹ 1.20).

**24.8 Foreign Exchange Exposure:**

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

As of the Balance Sheet date, the Company has net foreign currency exposure that are not hedged by a derivative instrument or otherwise, amounting to NIL. (Previous year ₹ 0.73).

**24.9 Other Notes**

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

**AS PER OUR REPORT OF EVEN DATE****As per our report of even date**

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

**C. K. Palan**

Partner  
Membership No: 100741

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

Chairman and Managing Director

**Parag Dalal**

Director

Place : Mumbai  
Mumbai : May 29, 2013

**Dharmesh Anjaria**

Director

**Book-Post**

*If undelivered, please return to:*



**DYNAGONS**  
Technologies Ltd.

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