



DYNACONS
TECHNOLOGIES LTD.

ANNUAL REPORT
2010-2011

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 (Appointed w. e. f. 25/01/11)
Shri. Dilip P. Palicha	Director (Appointed w. e. f. 25/01/11)
Shri. Viren C. Shah	Director (Appointed w. e. f. 25/01/11)

REGD. OFFICE

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

Registrar & Transfer Agents

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

PRINCIPAL BANKERS

Dena Bank

AUDITORS

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

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NOTICE

Notice is hereby given that the Second Annual General Meeting of the members of Dynacons Technologies Limited will be held on 29th day, September, 2011 at 4.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011 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. Parag Dalal 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 an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company, Mr. Dilip Palicha, who was appointed as an additional Director by the Board at their meeting held on 25th January, 2011 to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company, Mr. Viren Shah, who was appointed as an additional Director by the Board at their meeting held on 25th January, 2011 to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act and Article 125 of the Articles of Association of the Company, 1956, Mr. Mukesh Shah, who was appointed as an additional Director by the Board at their meeting held on 25th January, 2011 to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company that his period of office shall be liable to determination by retirement by rotation."

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

Shirish M. Anjaria
Chairman &
Managing Director

Dharmesh S. Anjaria
Director

Place : Mumbai
Date: August 29, 2011

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

DYNACONS

TECHNOLOGIES LTD.

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business set out in the accompanying Notice is annexed hereto and forms part of this Notice
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
5. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23rd day of September, 2011 to Thursday, the 29th day of September, 2011. (both days inclusive).
7. Members desirous of seeking information relating to the Accounts and operations of the Company are requested to address their queries to the Company at least 7 days before the date of the meeting, so that the information required may be made available at the meeting.
8. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company.
9. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges of person seeking re-appointment as Director under item no. 2 above is annexed hereto.
10. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
11. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE741L01018.
12. Annual Listing fee for the year 2010-11 has been paid to all Stock Exchange wherein shares of the Company are listed.
13. As per the provisions of Companies Act 1956, facility for making nominations is available to the shareholders in respect of the shares or deposits held by them. Nomination forms can be obtained from the Share Registrars of the Company.
14. As an austerity measure copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. Bigshare Services Pvt. Ltd., Registrar and Transfer Agents of the Company.

By Order of the Board
FOR DYNACONS TECHNOLOGIES LTD.

Shirish M. Anjaria
Chairman & Managing Director

Dharmesh S. Anjaria
Director

Date: August 29, 2011

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) of the Companies Act, 1956 in respect of item nos. 4, 5 and 6 of the notice as set out herein before is annexed hereto.

Item No 4, 5 & 6

Mr. Dilip Palicha, Mr. Mukesh Shah and Mr. Viren Shah were appointed as Additional Directors with effect from January 25, 2011, in accordance with Article 125 of the Articles of Association of the Company and Sec. 260 of the Act. All three directors holds office only upto the date of forthcoming Annual General Meeting (AGM) and but are eligible for appointment as Directors. A Notice under Section 257 of the Act has been received from Members signifying their intention to propose Mr. Dilip Palicha's, Mr. Mukesh Shah's and Mr. Viren Shah's appointment as Directors.

Mr. Dilip Palicha, aged 63 years, has over 35 Years of work experience. His forte lies in Business Management and Administration, Insurance and has expertise in Printing Technology and Animation. Prior to setting up his own Printing business he was working with the National Insurance Company for over 20 years. He is a graduate and holds certifications in Printing Technology. He is also an Associate of the Federation of Insurance Institutes. He is actively involved with the Lions Club International.

Mr. Mukesh Shah, aged 55 years, has over 30 years of professional experience in taxation and regulatory services. His experience includes handling of varied assignments across sectors for domestic and multinational entities involving accounting matters, entry strategy, structuring, acquisitions and dispositions, joint ventures, due diligences, tax strategies for businesses, valuation of shares and businesses, family partitions, arbitration. He has significant experience of arguing matters before tax, regulatory and appellate tribunals. Mukesh P Shah is a fellow member of the Institute of Chartered Accountants of India.

He has been a visiting faculty member at Income Tax Training centre for upgrading knowledge base of Commissioner of Income Tax, Asst. Commissioner of Income Tax and Jt. Commissioner of Income Tax at Mumbai.

Mr. Viren Shah, aged 45 years, has done an advance Post Graduate in Computers and Systems Management and holds certifications in Oracle / SQL & RDBMS concepts. He has a wide range of professional experience across a variety of industries and has expertise in System Analysis, Design and Administration. He has significant exposure to various IT Management aspects which include Technology implementation, IT operations, vendor management etc.

The Board considers it desirable that the Company should continue to avail services of Mr. Dilip Palicha, Mr. Mukesh Shah and Mr. Viren Shah as Directors, in terms of item no.4,5 & 6 of the accompanying Notice and commends the same for acceptance by Members of the Company.

None of the directors except Mr. Dilip Palicha, Mr. Mukesh Shah and Mr. Viren Shah are concerned or interested in item no. 4, 5 & 6 of the accompanying Notice.

FOR DYNACONS TECHNOLOGIES LTD.

Shirish M. Anjaria
Chairman & Managing Director

Dharmesh S. Anjaria
Director

Date: August 29, 2011

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

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(In Pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Mr. Parag Dalal
Age	43
Date of Appointment on the Board	April 2, 2009
Qualifications	Computer Application – Post Graduate
Expertise	He has over 20 years of work experience, in the field of Business, Information Technology, Software Development and Services. His areas of focus include Business Strategy, Business Development, Business Continuity Management and emerging technologies like Cloud Computing. He has is responsible for the growth of Dynacons on Pan India level across different industries segments including Shipping, Education, Services Government, Banking and Financial Services. He is also responsible for taking new initiatives such as Transformation through IT and bringing in operational efficiency through the usage of ICT.
Directorships held in other Public Companies (excluding Foreign and Private Companies)	1
Memberships/Chairmanships of Committees across public companies	Nil

Name of Director	Mr. Dilip P. Palicha
Age	63
Date of Appointment on the Board	January 25, 2011
Qualifications	Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.
Expertise	Vast experience in Management and Administration, Insurance, Expertise in Printing Technology & Animation.
Directorships held in other Public Companies (excluding Foreign and Private Companies)	1
Memberships/Chairmanships of Committees across public companies	2

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT

(In Pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Viren Shah
Age	45
Date of Appointment on the Board	January 25, 2011
Qualifications	Advance Post Graduate in Computer and Systems management. Certificate in Oracle/ SQL & RDBMS Concepts.
Expertise	Wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration.
Directorships held in other Public Companies (excluding Foreign and Private Companies)	1
Memberships/Chairmanships of Committees across public companies	2

Name of Director	Mr. Mukesh Shah
Age	55
Date of Appointment on the Board	January 25, 2011
Qualifications	B.Com, FCA
Expertise	Vast experience and exposure in Finance, Legal and Taxation Matters.
Directorships held in other Public Companies (excluding Foreign and Private Companies)	1
Memberships/Chairmanships of Committees across public companies	2

For DYNACONS TECHNOLOGIES LTD.

Shirish M. Anjaria
Chairman & Managing Director

Dharmesh S. Anjaria
Director

Date : August 29, 2011

Registered Office

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

DIRECTORS' REPORT

Your Directors are pleased to present the Second Annual Report of your Company for the period ended March 31, 2011.

1. Financial Highlights

(Rs. In lacs)

	Particulars	Year ended 31/03/2011	Year ended 31/03/2010
1.	Total Income	2133.16	2089.32
2.	Total Expenditure	2007.58	1954.32
3.	Interest	34.32	42.39
4.	Depreciation	82.55	92.53
5.	Profit before Tax	8.71	0.08
6.	Provision for Taxation - Current Tax	2.00	0.01
	- Deferred Tax	0.62	0.80
7.	Profit after tax	6.09	(0.73)

Management Analysis and Discussions**Company Performance**

During the year, your company earned total revenues of Rs. 2133.16 lacs compared with Rs. 2089.32 lacs during the previous year. The profit before tax stood at Rs. 8.71 lacs. The Company has made a provision of tax totaling to Rs. 2.62 lacs and the profit after tax stood at Rs. 6.09 lacs for the current year.

The company has continued to strength its infrastructure, reach and product portfolio. Your company's wide bouquet of IT products has allowed it to take full benefit of the increased IT spending in India. We will continue to look for niche demand areas which offer opportunities for incremental revenue earnings growth.

Review of Operations

The Indian economy continued to grow at a healthy rate in the previous year. The Central and State Governments continue to invest heavily in IT Infrastructure. Customers across all industry segments, with better business outlook and forecasts, resumed investments in IT infrastructure in critical areas of technology upgradation, product refresh, storage and security. The growth in the Education sector has been driven by the increasing technology adoption by schools, colleges and universities.

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices.

During the year, pursuant to the Scheme of Arrangement entered into by your company with Dynacons Systems & Solutions Limited (DSSL), the Marketing and Distribution business of DSSL was transferred to your company.

Your company has increased its focus on 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. Looking towards the future, your Company will remain focused on agility, innovation and operational excellence.

The company continues to focus on both extension of geographic reach in emerging growth markets as well as on development & growth of new customer accounts across major product lines. With a possible shift in the way users look at deploying technology due to development of cloud platform, your company is positioning itself with vendors for a value added role in their proposed cloud based offerings.

The management is also exploring into other businesses which offer better margins and make use of its infrastructure and its

Distribution expertise. 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.

Strengths

The strength of your company is the dedicated group of talented professionals who drive its business and relationships with its business partners and manage its support functions. Prudent fiscal policies have enabled your company to maintain a strong financial base. These strengths have enabled your company to successfully articulate its various differentiated value propositions in the markets in which it operates.

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

Quality

Your Company continues to strive towards operational and delivery excellences with a renewed focus on the path of business excellence. Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market. A strong emphasis is based on quality in every aspect of the company's activities. In line with this philosophy we have designed our quality management program and have defined several key parameters for measurement of quality levels to ensure improvement in the quality of the deliverables. Several initiatives have been taken to implement result oriented quality management models.

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

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. The system comprises well defined organization structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority.

Outlook

The company is undertaking several key initiatives including development of 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.

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.

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, 2011.

Directors

Mr. Dilip Palicha, Mr. Mukesh Shah and Mr. Viren Shah were appointed as Additional Directors with effect from January 25, 2011, in accordance with Article 125 of the Articles of Association of the Company and Sec. 260 of the Act. All three directors holds office upto the date of forthcoming Annual General Meeting (AGM) and Notice under Section 257 of the Act has been received from Members signifying their intention to propose Mr. Dilip Palicha's, Mr. Mukesh Shah's and Mr. Viren Shah's appointment as Directors.

In accordance with the requirements of the Act and Articles of Association of the Company, Mr. Parag Dalal retire by rotation and are eligible for re-appointment.

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, are eligible 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.

Scheme of Arrangement:

A Scheme of Arrangement was presented under Section 391 to 394 of the Act for transfer and vesting of Marketing & Distribution Business and Manufacturing Business of Dynacons Systems & Solutions Limited into Dynacons Technologies Limited with effect from April 1, 2009, the Appointed date. The Scheme under Section 391 to 394 of the Companies Act 1956, has been approved by the Hon'ble High Court of Judicature at Bombay vide its order dated October 15, 2010 and as required by the scheme, the company has received all requisite approvals from Governmental authorities and the effective date of the scheme was December 20, 2010.

Post obtaining the Order from Hon'ble High Court, Bombay and approval from other relevant authorities, your Company had issued and allotted an aggregate of 44,432,100 equity shares of Re 1 each credited as fully paid up, to the members of Dynacons Sysytems & Solutions Ltd. in the ratio as decided in the Scheme and effect of the same was given in the accounts on sanctioning of the Scheme by the High Court.

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

Your Company firmly believes that its success is inherently linked to the quality of human capital at its disposal. Ensuring a transparent, cohesive, conducive and professional working environment, which rewards its employees on merit, remains among your company's primary commitments and objectives.

We have created a favorable work environment that encourages innovation and meritocracy. We have also set up a scalable recruitment and human resources management process. Employee relations during the year were cordial. The 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 : Rs. Nil (previous year Nil)

Foreign Exchange Outgo : Rs. 0.95 lacs (previous year Rs 0.54 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 30, 2011

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 number of Independent Directors is one-half of the total number of Directors. The Company, therefore, meets with the requirements of Clause 49 (1) (A) of the Listing Agreement with the stock exchanges.

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	1	1	2
#Mr. Dilip P. Palicha	Independent Non Executive	No	1	1	2
#Mr. Viren C. Shah	Independent Non Executive	No	1	1	2

The composition of the Board of Directors and also the number of other Board of Directors of which they are member/Chairperson are as under:

Note: # Independent Directors were appointed w.e.f. January 25, 2011.

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 2010-2011. The dates on which the Board Meetings were held are as follows:

April 30, 2010, August 24, 2010, November 15, 2010, January 18, 2011, January 25, 2011,

The Board Meetings are held at the Registered Office of the Company. The brief agenda were sent in advance to the directors. Additional meetings of the Board are held when deemed necessary by the Board.

Particulars of Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the annexure to the Notice & 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	1
Mr. Dilip Palicha	Non-Executive & Independent Director	1
Mr. Viren Shah	Non-Executive & Independent Director	-

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 one times during the financial year 2010-2011 on the following dates: February 03, 2011.

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 Wholetime Directors after considering the company's performance.
- To review, assess and recommend the remuneration of the Chairman and Managing Director and the Whole-time 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 twice 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 objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization and record merit.

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

Details of Remuneration to the Chairman cum Managing Directors for the year ended March 31, 2011

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

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	1
Mr. Viren Shah	Non-Executive & Independent Director	1
Mr. Mukesh Shah	Non-Executive & Independent Director	1

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

During the year under review, 2 complaints were received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints outstanding as on March 31, 2011 were Nil. The numbers of pending share transfers as on March 31, 2011 were Nil.

6. REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report has not submitted to any Stock Exchanges since the shares of the Company are not listed on Exchanges. However, the Company has received in-principal approval from Bombay Stock Exchange Limited and National Stock Exchange Limited.

7. GENERAL BODY MEETINGS

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

- **1st 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 Article 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: **N.A.**
- c) A qualified Practicing Company Secretary carried out a Secretarial Audit reconcile, 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.: **N.A.**
- d) The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically as per guidelines of SEBI / Stock Exchange.
- e) The Company has established a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.
- f) During the financial year 2010-2011, the Company did not raise any proceeds through Public Issue, Right Issue and/or Preferential Issue.

10. MEANS OF COMMUNICATION

Once the Equity shares of your Company gets listing & trading permission on Stock Exchanges, the quarterly, half-yearly and yearly financial results of the Company will be sent to the Stock Exchanges immediately after they will get approved by the Board.

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting :-

- Date and Time	September 29, 2011 at 4:00 P.M.
- Venue	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058.

11.2 Financial Calendar: - **April'11 – March'12** (Tentative calendar-post listing of shares on stock Exchanges)

Financial Reporting for quarter ending: -	
- June 30	First week of August
- September 30	Second week of November
- December 31	Second week of February
- March 31	First week of May
- Annual Result	End August

11.3 Book Closure Date

23rd September, 2011 to 29th September, 2011. (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 & CDS	INE741L01018

(d) Annual listing fees for the year 2010-2011 have been duly paid to all the above Stock Exchanges.

Note : In-principal approvals has been obtained for listing shares of your Company from Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

11.6 Stock Market Data : N. A.

Your Company has received in-principal listing approval from Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. However, final approval for listing its shares on Stock Exchanges is awaited from SEBI.

11.7 Registrar and transfer Agents :

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

11.8 Share Transfer System

The Company's shares 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, 2011

No of Equity Shares	No of Folios	%	Total Holding in Rs.	%
1-5000	15967	94.16	13809805	23.24
5001-10000	576	3.40	3994079	6.72
10001-20000	219	1.29	3058038	5.15
20001-30000	92	0.54	2371433	3.99
30001-40000	24	0.14	821249	1.38
40001-50000	12	0.07	545151	0.92
50001-100000	30	0.18	2064138	3.47
100001 & above	38	0.22	32759207	55.13
Total	16958	100	59423100	100

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, 2011

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
59423100	24078348	40.52	35344752	59.48

11.12 Shareholding Pattern as on March 31, 2011

Category	No of Shares held	Percentage of Shareholding
Indian Promoters	28180652	47.42%
Private Corporate Bodies	3216721	5.41%
Indian Public	27492283	46.27%
Clearing member/ Transit	74099	0.13%
NRIs/OCBs	459345	0.77%
Total	59423100	100.00%

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

11.14 Compliance Officer : **Dharmesh S. Anjaria**

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
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

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, 2011.

Shirish Anjaria

Chairman & Managing Director

Mumbai : May 30, 2011

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 31st March, 2011 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 all 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 : May 30, 2011

May 30, 2011

The Board of Directors
Dynacons Technologies Ltd.
Mumbai

As required under Clause 49 (V) of the Listing Agreement with Indian Stock Exchanges, we hereby state 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) We have indicated to the auditors and the Audit Committee the following:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any 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

Dharmesh S. Anjaria
Director

AUDITOR'S REPORT
TO THE MEMBERS OF DYNACONS TECHNOLOGIES LIMITED

We have audited the attached Balance Sheet of **DYNACONS TECHNOLOGIES LIMITED** as at 31st March, 2011, the related Profit and Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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 as considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. We invite the attention of the members to point no II/2 of Schedule 14 Notes to Accounts forming part of the Balance Sheet concerning the Scheme of Arrangement entered between Dynacons Systems and Solutions Limited and Dynacons Technologies Limited.
4. Further to our comments in the Annexure referred to above, 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 appears from our examination of those books.
 - c) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report are prepared in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - d) The Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account.
 - e) On the basis of written representations received from the directors of the company, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Dated : May 30, 2011

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF

DYNACONS TECHNOLOGIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

(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 Rs. 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 2011 for a period of more than six months from the date they became payable.
10. The Company does not have any accumulated losses and has not incurred any cash losses during the current financial year and the immediately preceding financial year.

11. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks and financial Institutions.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or Financial Institutions.
16. According to the information and explanations given to us, the working capital term loans raised during the year were used for the purpose for which they were raised.
17. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not utilized funds raised on short-term basis for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares during the year.
19. During the year covered by our audit report the Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Dated : May 30, 2011

Dynacons Technologies Ltd.
Balance Sheet As On March 31, 2011

SCHEDULE	As on March 31, 2011 Rs.	As on March 31, 2010 Rs.	
I. SOURCES OF FUNDS:			
1. SHAREHOLDER'S FUNDS:			
a) Capital	1	59,423,100	59,423,100
b) Reserves and Surplus	2	177,453,749	176,917,938
2. LOAN FUNDS:			
Secured Loans	3	49,060,807	24,930,249
3. DEFERRED TAX LIABILITY (Net)			
		7,173,864	7,111,929
Total (Rs)		293,111,520	268,383,216
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS			
a) Gross Block		50,551,698	51,105,048
b) Depreciation		15,983,544	19,499,616
c) Net Block		34,568,154	31,605,432
d) Capital Work-in-progress and Advances		107,500,000	104,250,000
2. INVESTMENTS			
	5	50,000,000	50,000,000
3. CURRENT ASSETS, LOANS AND ADVANCES:			
a) Inventories	6	32,139,613	39,476,966
b) Sundry Debtors	7	70,876,085	56,712,694
c) Cash and Bank Balances	8	9,386,616	8,095,694
d) Loans and Advances	9	5,086,061	5,086,387
		117,488,375	109,371,741
4. CURRENT LIABILITIES AND PROVISIONS:			
a) Current Liabilities	10	16,032,855	26,898,407
b) Provisions		412,154	18,854
		16,445,009	26,917,261
Net Current Assets		101,043,366	82,454,480
4. PROFIT & LOSS ACCOUNT			
		-	73,304
Total (Rs)		293,111,520	268,383,216
Notes forming part of Accounts	14		

As per our report of even date attached

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

C. K. Palan
Partner
Membership No: 100741

Mumbai : May 30, 2011

For and on behalf of the Board

Shirish Anjaria
Chairman & Managing Director

Parag Dalal
Director

Dharmesh Anjaria
Director

Dynacons Technologies Ltd.
Profit and Loss Account for the period ended March 31, 2011

	SCHEDULE	2011 Rs.	2010 Rs.
INCOME:			
Sales		213,315,836	208,932,219
	Total (Rs)	213,315,836	208,932,219
EXPENDITURE:			
Cost of Sales & Development	11	194,404,466	189,798,647
Operating & Establishment Expenses	12	6,353,329	5,633,018
Interest	13	3,432,092	4,238,677
Depreciation		8,254,898	9,253,481
	Total (Rs)	212,444,786	208,923,823
PROFIT BEFORE TAXATION		871,050	8,396
Provision for Taxation			
a) Current Tax		200,000	1,300
b) Deferred Tax		61,935	80,400
PROFIT \ (LOSS) FOR THE YEAR		609,115	(73,304)
Add : Balance of earlier year		(73,304)	-
Profit \ (Loss) available for Appropriation		535,811	(73,304)
BALANCE CARRIED TO BALANCE SHEET		535,811	(73,304)
Earning Per Share (Face Value Re 1)		0.01	-
Notes forming part of Accounts	14		

As per our report of even date attached

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

C. K. Palan
Partner
 Membership No: 100741

Mumbai : May 30, 2011

For and on behalf of the Board

Shirish Anjaria
 Chairman & Managing Director

Parag Dalal
 Director

Dharmesh Anjaria
 Director

Dynacons Technologies Ltd. Cash Flow Statement for the Year Ended March 31, 2011

Particulars	2011 Rs.	2010 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary items	871,050	8,396
Add: Depreciation	8,254,898	9,253,481
(Profit)/Loss on sale of Fixed Assets	305,180	277,748
Interest paid	3,432,092	4,238,677
Dividend received	-	-
	11,992,170	13,769,906
Operating profit before working Capital	12,863,221	13,778,302
Changes in current assets and liabilities		
(Increase)/Decrease in Inventories	7,337,353	547,790
(Increase)/Decrease in Inventories pursuant to the Scheme of Arrangement	-	(40,024,756)
(Increase)/Decrease in Trade & Other Receivable pursuant to the Scheme of Arrangement	-	12,630,070
(Increase)/Decrease in Trade & Other Receivable	(14,163,065)	(74,429,150)
Increase/(Decrease) in Current Liabilities & Provision pursuant to the Scheme of Arrangement	-	19,541,003
Increase/(Decrease) in Current Liabilities & Provision	(10,672,252)	14,406,488
	(17,497,964)	(67,328,557)
Cash Generated from Operations	(4,634,743)	(53,550,255)
Taxes paid	-	-
Net Cash Flow from operating activities	(4,634,743)	(53,550,255)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(11,522,800)	(6,255,545)
Fixed Assets Transferred pursuant to the Scheme of Arrangement	-	(34,881,116)
Capital Work-in-Progress and Advances	(3,250,000)	(16,750,000)
Capital Work-in-Progress and Advances Transferred pursuant to the Scheme of Arrangement	-	(87,500,000)
Investments Transferred pursuant to the Scheme of Arrangement	-	(50,000,000)
Net Cash Used for Investing Activities	(14,772,800)	(195,386,661)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	-	15,000,000
Share Premium	-	-
Increase/(Decrease) In Secured/Unsecured Loans	24,130,558	(29,061,808)
Interest Paid	(3,432,092)	(4,238,677)
Equity Share Capital be allotted pursuant to the Scheme of Arrangement	-	44,423,100
Reserves pursuant to the Scheme of Arrangement	-	176,917,938
Secured Loan Transferred pursuant to the Scheme of Arrangement	-	53,992,057
Net cash From Financing Activities	20,698,465	257,032,610
Net Increase in Cash and Cash Equivalents (A+B+C)	1,290,922	8,095,694
Cash and Cash Equivalents (Opening Balance)	8,095,694	-
Cash and Cash Equivalents (Closing Balance)	9,386,616	8,095,694
	(1,290,922)	(8,095,694)

Notes

- Components of cash and cash equivalents include bank balances in current account as disclosed under Schedule 8 of the accounts
- Pursuant to the scheme of Arrangement, the business of the Company was carried out by Dynacons Systems & Solutions Limited in trust. (Refer Note No.II.2 of Schedule 14)

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

C. K. Palan
Partner
Membership No: 100741
Mumbai : May 30, 2011

For and on behalf of the Board

Shirish Anjaria
Chairman & Managing Director

Parag Dalal
Director

Dharmesh Anjaria
Director

Dynacons Technologies Ltd.
Schedules forming part of Balance Sheet as on March 31,2011

	2011 Rs.	2010 Rs.
SCHEDULE 1: SHARE CAPITAL		
AUTHORISED		
600,000,000 Equity shares of Re. 1/- each	<u>600,000,000</u>	<u>600,000,000</u>
Issued, Subscribed and paid up:		
59,423,100 Equity shares of Re. 1/- each fully paid up (Previous Year 15,000,000 Equity shares of Re. 1/- each fully paid up)	59,423,100	15,000,000
Share Capital Suspense 44,423,100 Equity shares of Re. 1/- each fully paid up to be allotted pursuant to the Scheme of Arrangement (Refer Note No.II.2 of Schedule 14)	-	44,423,100
Total (Rs)	<u>59,423,100</u>	<u>59,423,100</u>
SCHEDULE 2: RESERVES AND SURPLUS		
1. General Reserve Amount transferred pursuant to the Scheme of Arrangement (Refer Note No.II.2 of Schedule 14)	176,917,938	176,917,938
2. Profit & Loss Account	535,811	-
Total (Rs)	<u>177,453,749</u>	<u>176,917,938</u>
SCHEDULE 3 : SECURED LOANS		
Bill Discounting facilities with Banks (Secured against hypothecation of inventories, book debts and personal guarantees of some of the Directors)	48,749,715	24,435,000
Vehicle Loans (Secured against hypothecation of Motor Vehicles)	311,092	495,249
Total (Rs)	<u>49,060,807</u>	<u>24,930,249</u>

DYNACONS TECHNOLOGIES LTD.

SCHEDULE 4: FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As on 1-Apr-10	Additions	Deductions	As on 31-Mar-10	As on 1-Apr-10	Additions	Deductions	As on 31-Mar-10	As on 31-Mar-11	As on 31-Mar-10
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLES										
Computers	49,409,464	14,955,000	15,508,350	48,856,114	19,065,365	8,112,676	11,770,970	15,407,071	33,449,043	30,344,099
Office Equipment	248,753	-	-	248,753	29,373	11,816	-	41,189	207,564	219,380
Furniture & Fixtures	222,180	-	-	222,180	110,647	14,064	-	124,711	97,469	111,533
Motor Car	1,224,651	-	-	1,224,651	294,231	116,342	-	410,573	814,078	930,420
Total Rs.	51,105,048	14,955,000	15,508,350	50,551,698	19,499,616	8,254,898	11,770,970	15,983,544	34,568,154	31,605,432
Previous year Rs.	53,289,803	9,115,545	11,300,300	51,105,048	18,408,687	9,253,481	8,162,552	19,499,616	31,605,432	-

SCHEDULE 5: INVESTMENTS

LONG TERM (AT COST)

TRADE (UNQUOTED)

Ganpati Intradex Pvt Ltd

50,00,000 Equity Shares of Rs. 10 each

50,000,000

50,000,000

Total (Rs)

50,000,000

50,000,000

SCHEDULE 6: INVENTORIES

(As taken, valued and certified by the Management at lower of cost or net realisable value)

Finished Goods

32,139,613

39,476,966

Total (Rs)

32,139,613

39,476,966

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured, Considered good)

a. Outstanding for a period exceeding six months

b. Others

6,928,143

80,893

63,947,942

56,631,801

Total (Rs)

70,876,085

56,712,694

SCHEDULE 8: CASH AND BANK BALANCES

Cash on hand

158,063

-

Balance with Banks in Current Account:

- with Scheduled Banks

20,935

55,000

Balance with Banks in Fixed Deposits

- with Scheduled Banks

9,207,618

8,040,694

Total (Rs)

9,386,616

8,095,694

SCHEDULE 9: LOANS AND ADVANCES

(Unsecured, Considered good)

Advances recoverable in cash or in kind

or for value to be received

5,086,061

5,086,387

Total (Rs)

5,086,061

5,086,387

SCHEDULE 10: CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

- Micro and Small Enterprises (See Notes No II/6 of Schedule 14)

- Others

Outstanding Expenses

-

-

14,206,945

24,805,700

1,825,911

2,092,707

Total (Rs)

16,032,855

26,898,407

PROVISIONS

Provision for Income Tax	201,300	1,300
Provision for Employee Benefits	210,854	17,554
Total (Rs)	<u>412,154</u>	<u>18,854</u>

SCHEDULE 11: COST OF SALES & DEVELOPMENT

Opening Stock	39,476,966	40,024,756
Amount transferred pursuant to the Scheme of Arrangement (Refer Note No.II.2 of Schedule 14)		
Add : Purchases & Development Costs	187,067,113	189,250,857
	226,544,079	229,275,613
Less :Closing Stock	32,139,613	39,476,966
Total (Rs)	<u>194,404,466</u>	<u>189,798,647</u>

SCHEDULE 12: OPERATING & ESTABLISHMENT EXPENSES

Salaries	2,073,250	1,645,540
Staff Welfare Expenses	63,503	46,496
Directors Remuneration	720,000	600,000
Conveyance and Travelling Expenses	234,463	94,764
Motor Car Expenses	227,411	197,548
Printing and Stationary Expenses	82,692	62,500
Legal and Professional charges	816,300	736,749
Communication Expenses	76,032	57,748
Auditors Remuneration	27,575	13,788
Rent	60,000	61,014
Rates & Taxes	562,928	230,200
Repairs & Maintenance - Building	44,933	18,955
- Others	56,275	36,354
Sales Promotion Expenses	89,479	32,159
Miscellaneous Expenses	380,139	315,092
Loss on sale/write-off of Assets	305,180	277,748
Discount Allowed	-	12,349
Bank charges	198,828	652,592
Transportation Expenses	159,070	420,469
Electricity Expenses	106,205	50,057
Membership and Subscriptions	24,229	19,409
Insurance Charges	44,838	51,487
Total (Rs)	<u>6,353,329</u>	<u>5,633,018</u>

SCHEDULE 13: INTEREST

Interest expenses		
On Fixed Loans	54,654	66,344
On Others	3,982,016	4,172,679
	<u>4,036,670</u>	<u>4,239,024</u>
Less : Interest earned		
Interest Received (Gross)	604,578	347
Total (Rs)	<u>3,432,092</u>	<u>4,238,677</u>

Schedules forming part of Balance Sheet as on March 31, 2011.

Schedule 14 : NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Company Overview

Dynacons Technologies Limited is an Information Technology company engaged in providing a comprehensive range of products to customers. The Company has been formed during the current year.

I. 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 Rs. 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.

II. NOTES TO ACCOUNTS :

1. Contingent Liabilities

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

2. SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement (the Scheme) entered into by the Company with Dynacons Systems & Solutions Limited(DSSL), the Marketing and Distribution Business and Manufacturing Business of DSSL was transferred to Company with effect from 1st April, 2009, the Appointed Date.

The said Scheme, under section 391 to 394 of the Companies Act, 1956, has been approved by the Hon'ble High Court of Judicature of Bombay, vide its Order dated 15th October, 2010.

The Scheme provides that it shall become effective upon satisfaction of the conditions set out in the Scheme therein, including receipt of necessary approvals from Government Authorities. Accordingly, upon receipt of the requisite approvals, as aforesaid, the Effective Date of the Scheme was December 20, 2010.

In accordance with the terms of the Scheme of Arrangement an aggregate of 44,432,100 equity shares of Re 1 each of the Company were issued as fully paid up, to the members of DSSL whose names are recorded in the register of members on the

record date, in the ratio of 3(three) equity shares of the Company of face value of Re 1 each for every 10(ten) equity shares of Rs 2 each held by such member in DSSL.

In accordance with the Scheme, the following effects have been given in the books of account of the Company:

Details of Assets and Liabilities transferred - with effect from 1st April, 2009:

Particulars	Amount (Rs.)
Fixed Assets	
Gross Block	53,289,803
Less : Depreciation	18,408,687
Net Block	34,881,116
Capital Work -in-Progress	87,500,000
Investments	50,000,000
Current Assets Loans & Advances	
Inventories	40,024,756
Sundry Debtors	56,794,002
Cash and Bank Balances	8,039,075
Loans and Advances	17,635,148
Total - Current Assets	122,492,981
TOTAL ASSETS (A)	294,874,097
Current Liabilities & Provisions	
Current Liabilities	12,497,774
Provisions	11,700
Total - Current Liabilities	12,509,474
Loan Funds	
Secured Loans	53,992,057
Deferred Tax Liability (Net)	7,031,529
TOTAL LIABILITIES (B)	73,533,064
NET ASSETS TRANSFERRED (A-B)	221,341,038
Less : Equity Share Capital (issued Pursuant to the Scheme of Arrangement)	44,423,100
Balance transferred to General Reserve	176,917,938

3. Managerial Remuneration

Managerial Remuneration paid to Managing Director and Whole-time Directors is in accordance with the limits prescribed under Section 198 and Section 309 of the Companies Act, 1956

	2011	2010
Salary	Rs. 720,000	Rs. 600,000

4. Expenditure in Foreign Currency

	2011	2010
Travelling Expenses	Rs. 95,570	Rs. 54,105

5. Auditors Remuneration

	2011	2010
Audit Fees & Consultancy	Rs. 27,575	Rs. 13,788

6. Quantitative Details of Computer Systems, Peripherals and Software Products

	2011		2010	
	Nos.	Amount(Rs.)	Nos.	Amount(Rs.)
Opening Stock (Previous year transferred pursuant to Scheme of Arrangement) (Refer Note No.2 above)	4,729	39,476,966	8,484	40,024,756
Purchases	5,540	187,067,113	3,264	189,250,857
Closing Stock	2,742	32,139,613	4,729	39,476,966

7. Disclosures as per Micro, Medium and Small Enterprises Development Act, 2006 (MSMED)

Particulars	2011 Amount (Rs.)	2010 Amount (Rs.)
a. Amounts payable to suppliers under MSMED (suppliers) as on March 31, 2010 - Principal - Interest due thereon	NIL NIL	NIL NIL
b. Payments made to suppliers beyond the appointed day during the year - Principal - Interest due thereon	NIL NIL	NIL NIL
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	NIL	NIL
d. Amount of interest accrued and remaining unpaid as on 31 March, 2010	NIL	NIL
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	NIL	NIL

Note: The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED on the basis of information available with the Company.

8. Segment Information

The company operates in the single segment of System Integration Technology Products.

9. 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 Systems & Solutions Limited	Company in which Directors have substantial interest

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

Party	Nature of Payment	2011	2010
M/s S.P. Corporation	Rent for Premises	Rs.60,000	Rs. 60,000
M/s S.P. Corporation	Reimbursement of Expenses	Rs. 22,933	Rs. 18,955
Mr. Shirish M. Anjaria	Remuneration	Rs. 6,00,000	Rs. 600,000
Dynacons Systems & Solutions Limited	Investment in Share Capital	Rs. 15,000,000	Rs. 15,000,000
Dynacons Systems & Solutions Limited	Assets and Liabilities transferred pursuant to Scheme of Arrangement	Refer Note No 2 above	Refer Note No 2 above
Dynacons Systems & Solutions Limited	Amount receivable / (payable) as at year end	Rs. 8,693,344	(Rs. 22,003,653)

10. Earnings per Share (Basic and Diluted)

	March 31, 2011	March 31, 2010
Profit after Tax	609,115	(73,304)
Number of Equity Shares	5,94,23,100	5,94,23,100
Earnings Per Share (of paid up Value of Re. 1 each)	0.01	(0.00)

11. Deferred Taxation

The company has made provision for Deferred Taxation as per the requirements of Accounting Standard 22 – Accounting for Taxes on Income.

The break-up of Deferred Tax Assets and Liabilities and the effect on the profit are as under:

Particulars	April 1,2010	Charge/Credit for the current year	March 31,2010
Deferred Tax Liabilities			
- Depreciation	71,11,929	111,621	72,23,550
Deferred Tax Assets			
- Gratuity	NIL	49,686	49,686
Total	71,11,929	61,935	71,73,864

12. 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 Rs. 60,000/- (previous year Rs. 61,014/-)

13. Retirement Benefit Plans

Defined benefit plan

Gratuity Plan

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at the balance sheet date.

The following tables set out the status of the gratuity plan and amounts recognized in the Company's financial statements as at March 31, 2011:

	Particulars	2011 Amount (Rs.)	2010 Amount (Rs.)
I.	Assumptions :		
	Discount Rate	8.25%	8.00%
	Salary escalation rate	4.00%	4.00%
II.	Table Showing Change in Benefit Obligation :		
	Defined Benefit Obligation transferred pursuant to Scheme of Arrangement (Refer Note No.2 above)	5,854	11,700
	Interest Cost		NIL
	Current Service Cost	148,066	5,854
	Past Service Cost (Non Vested Benefit)	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL
	Benefit Paid	NIL	NIL
	Balance	148,066	5,854
	Actuarial (gain)/loss on obligations	NIL	NIL
	Liability at the end of the year	165,620	17,554
III.	Amount Recognized in the Balance Sheet	NIL	
	Liability at the end of the year	165,620	17,554
	Fair Value of Plan Assets at the end of the year	NIL	NIL
	Difference	165,620	17,554
	Unrecognized Past Service Cost	NIL	NIL
	Amount Recognized in the Balance Sheet	165,620	17,554
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	148,066	5,854
	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	148,066	5,854

14. 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.

15. 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 or rearranged or reclassified wherever necessary to confirm to those of the current year.

SIGNATURES TO THE SCHEDULES 1-13 AND NOTES TO ACCOUNTS 14

As per our report of even date

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

C. K . Palan
Partner
Membership No: 100741

Place : Mumbai
Date : May 30, 2011

For and on behalf of the Board

Shirish M. Anjaria
Chairman & Managing Director

Parag J. Dalal
Director

Dharmesh S. Anjaria
Director

Dynacons Technologies Ltd.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. : L72900MH2009PLC191412
State Code : 11
Balance Sheet Date : March 31, 2011

II Capital Raised during the year(Amount in Rs. Thousands)

Public Issue : Nil
Rights Issue : Nil
Bonus Issue : Nil
Private Placement : Nil

III Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousands)

Total Liabilities : 293,112 Total Assets : 293,112

Sources of Funds

Paid-up Capital : 59,423
Reserves & Surplus : 117,454
Secured Loans : 49,061
Unsecured Loans : -
Deferred Tax Liability : 7,174

Application of Funds

Net Fixed Assets : 142,068
Investments : 50,000
Net Current Assets : 101,043
Misc. Expenditure : Nil
Accumulated Losses : -

IV Performance of Company (Amount in Rs. Thousands)

Turnover : 213,316
Total Expenditure : 212,445
Profit/ Loss Before Tax : 871
Profit/ Loss After Tax : 609
Earning Per Share in Rs. : -
Dividend Rate % : NA

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code (ITC Code) : 847100
Product Description : Computer Systems
Item Code No. : 852400
Product Description : Computer Software
Item Code No. : 847300
Product Description : Computer Peripherals

For and on behalf of the Board

Shirish Anjaria
Chairman & Managing Director

Mumbai : May 30, 2011

Parag Dalal
Director

Dharmesh Anjaria
Director

Sub: Green Initiative in Corporate Governance for Paperless Communication

To
The Shareholders

As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically. Our Company appreciates the initiative taken by MCA.

Sustainability for us is a way of conducting business and is an integral part of our Company strategy. We are specifically focused on reducing the carbon footprint involving our Annual Reports. We therefore propose to send such documents henceforth to the Members in Electronic form.

Accordingly, we are in the process of updating the database of the Company's Members, who are holding their shares in physical mode by incorporating their designated e-mail id in our records to enable the Company for sending Annual Reports and such other requisite documents for compliance with the provisions of Section 219 (1) of the Act and to ensure its legal validity. You are therefore requested to register your e-mail address(es) and changes therein from time to time by sending back the format given duly filled in and signed to our Registrar or Transfer Agent at the address mentioned below:

BigShare Services Pvt. Ltd

E-2/3, Ansa Industrial Estate
Sakinaka, Mumbai,
Maharashtra 400072

In respect of the shares held by the Members in demat mode, they are also requested to provide their DP ID/Client ID and register the same with their respective Depository Participants.

This is an advance intimation and opportunity for you to register your e-mail id. We would appreciate, if you could provide us the desired information at the earliest and support us in the Green Initiative.

However, in addition to getting the documents through your registered e-mail, you can also have access to such documents through our Company's website i.e. www.dtlindia.com. These documents will also be available for inspection at the Registered Office of the Company during office hours.

Needless to mention, you are entitled as a Member of the Company, to be furnished with a copy of above referred documents in physical form as required under the provisions of the Companies Act, 1956, free of cost upon receipt of a requisition from you.

We solicit your valuable cooperation and support in our endeavor to contribute bit to the environment.

Assuring you of our best services.

Thanking you

For **Dynacons Technologies Ltd.**

P Services

DYNACONS TECHNOLOGIES LTD.

REGD. OFFICE: 78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (West), Mumbai -400056

EMAIL COMMUNICATION REGISTRATION FORM

(In terms of circular issued by the Ministry of Corporate Affairs, dated 21st & 29th April, 2011)

Date:

BigShare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate
Sakinaka, Mumbai,
Maharashtra -400072

SUB: REGISTRATION FOR PAPERLESS COMMUNICATION

MEMBERS (HOLDING SHARES IN PHYSICAL MODE) ARE REQUESTED TO FILL THE DETAILS BELOW, SO THAT WE CAN FORWARD THE ABOVE REFERRED COMMUNICATION / DOCUMENTS THROUGH EMAIL

Name of Sole/1st Holder _____

Name of the Joint Holder _____

Folio No. _____ No. of Shares held. _____

Certificate No.(s) _____

Distinctive No.(s) _____

E-mail Id _____
(to be registered)

PAN _____

I / We _____ resident of _____ being
a member / members of Dynacons Systems & Solutions Limited, hereby agree to receive the communication / documents at
_____ (please mention email Id)

Thanking you

Yours faithfully

Signature of sole/1st holder (as in company's records)

Name: _____

Permanent Address:

Last Page

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Book-Post

If undelivered, please return to:



**DYNACONS
TECHNOLOGIES LTD.**

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