



DYNACONS
SYSTEMS & SOLUTIONS LTD.

AN IT INFRASTRUCTURE SOLUTIONS COMPANY

Concept to Commissioning *and beyond...*

ANNUAL REPORT
2010-2011

DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Shirish M. Anjaria	Chairman & Managing Director
Shri. Parag. J. Dalal	Executive Director
Shri. Dharmesh S. Anjaria	Executive Director
Shri. Mukesh P. Shah	Director
Shri. Dilip P. Palicha	Director (Nominee of Shareholders)
Shri. Viren C. Shah	Director

COMPANY SECRETARY

Mr. Ravishankar Singh

REGD. OFFICE

78, Ratnajyot Industrial Estate,
Irla Lane, Vile Parle (W),
Mumbai - 400 056.
Tel No: +91-22-6688 9900

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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Our Tie-ups



Cisco
CISCO Business Partner



IBM
IBM Royal Blue Partners
Authorised Service Providers



HP
HP Business Partner



Microsoft
Microsoft OEM System
Builder Partner



Intel
Intel Premier Provider (IPP)



Samsung
Samsung Authorised
System Integrator



Acer
Business Partner



APC
Business Partner



Linksys
Authorized Sub-Distributor



Novell
Authorized Business Partner



Watchguard
Business partner



Waverider
Authorized Business Partner



Lenovo
Lenovo Business Partners



Cyberoam
Business Partner

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Dynacons Systems & Solutions Limited will be held on Thursday, 29th day, September, 2011 at 3.00 P.M., at Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dilip Palicha, who retires from the office of Director by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

Special Business:

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

"RESOLVED THAT subject to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and subject to such other approvals, consents, sanctions, if any, required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall also include any committee thereof), the consent of the Members be and is hereby accorded for consolidating the Equity shares of the Company, including the paid up shares, such that 10 (ten) Equity Shares of the Company of the face value of Re. 1/- (Rupee One) each be consolidated into 1 (one) equity share of face value of Rs.10/- (Rupees Ten) each and consequently the Authorised Share Capital of the Company of Rs. 30,00,00,000 (Rupees Thirty Crores) consisting of 30,00,00,000 (Thirty Crore) Equity shares of Face value of Re. 1 each (Rupee One) be consolidated into Rs. 30,00,00,000 (Rupees Thirty Crores) consisting of 3,00,00,000 (Three Crore) Equity shares of Face value of Rs. 10 (Rupees Ten) each with effect from the "Record Date" to be determined by Board / Committee of Directors for this purpose.

RESOLVED FURTHER THAT the fractions arising out of the consolidation to be dealt with as may be decided by the Board of Directors in accordance with applicable laws including the listing agreements entered into with the Stock Exchanges where the shares of the Company are presently listed.

RESOLVED FURTHER THAT pursuant to the consolidation of the Equity shares of the Company, the Paid-up Equity share Capital of Rs. 5,92,30,800 (Rupees Five Crore Ninety Two Lacs Thirty Thousand Eight Hundred) consisting of 5,92,30,800 (Rupees Five Crore Ninety Two Lacs Thirty Thousand Eight Hundred) Equity shares of Re. 1 (Rupee One) each be divided into 59,23,080 (Fifty Nine Lacs Twenty Three Thousand Eighty) Equity shares of Rs. 10 (Rupees Ten) each by consolidating in such manner that every ten of the existing shares of Re. 1 each shall constitute one share of Rs. 10 each fully paid with effect from the "Record Date" to be determined by Board / Committee of Directors for this purpose.

RESOLVED FURTHER THAT upon the consolidation of the Equity Shares as aforesaid, the existing physical share certificates in relation to the paid up Equity Shares of the Company shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date to be determined by Board / Committee of Directors for this purpose (herein after referred to as "the Board", which terms shall also include any Committee, thereof) and the Board be and is hereby authorised to call back from the shareholders, if necessary and to issue new share certificates in lieu thereof, with regard to the consolidated Equity Shares in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in case of Members who hold the Equity Shares / opt to receive the consolidated Equity Shares, in Dematerialized Form, the consolidated Equity Shares shall be credited to the respective beneficiary account of the Members, with their respective Depository Participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interests of the Company, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, Agreements and documents, to decide on the treatment to be given to the fractional entitlement of Equity Shares on Consolidation including giving customary representations and warranties, together with such indemnities as may be deemed necessary and expedient in its discretion and setting any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding on all the Members."

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

"RESOLVED THAT existing Clause V of the Memorandum of Association of the Company be deemed to have been substituted by the following:-

The Authorised Share Capital of the Company is Rs. 300,000,000 (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupee ten) each

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

"RESOLVED THAT in accordance with the provisions of Section 81(1),81 (1A) and other applicable provisions, if any, of the

Companies Act, 1956 and any other law for the time being in force and the provisions in the Memorandum and Articles of Association of the Company, the regulations issued by the Securities and Exchange Board of India ("SEBI"), the Listing Agreements entered into by the Company with the stock exchanges and subject to the approval, permissions and sanctions of the lenders of the Company, SEBI, stock exchanges, Reserve Bank of India ("RBI"), the Foreign Investment Promotion Board ("FIPB"), Government of India and other concerned authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of the Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) the consent of the members of the company be and is hereby accorded to create, offer and issue Equity Shares of Rs.10/- each of the Company with or without warrants attached thereto which may eventually be converted into Equity Shares on Right Basis to the Members of the Company as on the "Record Date" (to be determined by Board / Committee of Directors for this purpose) such that the aggregate size of the issue shall not exceed Rs. Twelve Crore or such sum, as may be determined by the Board of Directors in this regard, in the ratio to be determined by the Board (the "Rights Issue") and on such other terms and conditions as may be mentioned in the draft Letter of Offer to be issued by the Company in respect of the Rights Issue.

RESOLVED FURTHER THAT the equity shares to be offered on a right basis shall rank pari passu in all respects with the existing shares of the Company.

RESOLVED FURTHER THAT Mr. Ravi Singh, Company Secretary of the company be and is hereby appointed as Compliance Officer for the purpose of the Rights Issue."

RESOLVED FURTHER THAT a Committee of the Board comprising of following namely

1.	Mr. Shirish Anjaria	Chairman cum Managing Director
2.	Mr. Parag Dalal	Executive Director
3.	Mr. Dharmesh Anjaria	Executive Director
4.	Mr. Mukesh Shah	Non-Executive Independent Director

be and are hereby authorised and shall always be deemed to have been so authorized, to do all such acts, matters, deeds and things as may be necessary for the purpose of the Rights Issue as aforesaid including but not limited to the following :

- (i) To fix record date(s) for the purpose of the Rights Issue for ascertaining the names of members who will be entitled to the aforesaid offer of equity shares in consultation with the stock exchanges with which the Company's shares are listed;
- (ii) To decide on terms of the issue including the ratio of rights entitlement, issue of warrants along with the rights shares, terms of payment, terms of conversion of warrants, eligibility of renouces to apply for additional shares etc.
- (iii) To decide and determine the final size of the Rights Issue, the price per share either prior to or after filing of the draft Letter of Offer with SEBI and the rights entitlement ratio for equity shares including terms of the Rights Issue;
- (iv) To decide the treatment to be given to the fractional entitlement if any, including rounding upward or downwards or ignoring such fractional entitlements or issue of fractional coupons and the terms and conditions for consolidation of fractional entitlements into a whole share and application to the Company for the same as well as to decide the disposal off the shares representing the fractional coupons which are not so consolidated and presented to the Company for allotment of whole shares or treating fractional entitlement in the manner as may be approved by SEBI and the stock exchanges;
- (v) To decide the opening and closing dates for the Rights Issue and to extend, vary or alter the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI, stock exchanges or other concerned authorities from time to time;
- (vi) To finalise the draft Letter of Offer, Letter of Offer, Composite Application Form, abridged Letter of Offer (as approved) and other documents and to file the same with SEBI, stock exchanges and other concerned authorities and issue the same to the equity shareholders of the Company;
- (vii) To appoint Lead Managers to the Rights Issue, Bankers, Registrar, Legal Advisors, Monitoring Agency, Consultants, Advisors, Underwriters, Printers and such other agencies as may be desired and to remunerate such agencies in cash or otherwise including by way of payment of commission, brokerage, fees, reimbursement of expenses incurred in relation to the issue of securities and other expenses, if any;
- (viii) To finalise the basis of allotment of equity shares in consultation with Lead Managers, Registrar and the designated stock exchange and/or other stock exchanges where the existing shares are listed;
- (ix) To issue and allot the equity shares and warrants in one or more tranches and to do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to the issue of the equity shares;
- (x) To issue the Letters of Allotment and Share Certificates to the proposed allottees either in dematerialised form or in physical form as may be required by the allottees;
- (xi) To ensure the names of the allottees are entered in the Register of Members of the Company;
- (xii) Issue new shares (including new certificates where required) representing the equity shares issued as part of the Rights Issue with new distinctive numbers as laid down in the Companies (Issue of Share Certificates) Rules, 1960 and also to inform the

depositories to take the necessary action to give effect to the above and do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to the Rights Issue;

- (xiii) To settle any question, difficulty or doubt that may arise in connection with the Rights Issue including the issue and allotment of the equity shares as aforesaid and to do all such acts, deeds and things as the Committee may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Rights Issue and allotment of equity shares;
- (xiv) To decide the mode and manner of allotment of shares if any not subscribed and left/remaining after allotment of rights shares and additional shares applied by the shareholders and renounces;
- (xv) To open bank Account(s) to receive applications along with application monies in respect of the issue of the shares and to make refunds;
- (xvi) To file necessary returns, make declarations / announcements, furnish information etc, to the concerned authorities in connection with the Rights Issue;
- (xvii) To sign and execute any other, document, agreement, undertaking in connection with the Rights Issue; and
- (xviii) To take all such other steps as may be necessary in connection with this Rights Issue.

RESOLVED FURTHER THAT the following persons namely:

1.	Mr. Shirish Anjaria	Chairman cum Managing Director
2.	Mr. Parag Dalal	Executive Director
3.	Mr. Dharmesh Anjaria	Executive Director
4.	Mr. Ravi Singh	Company Secretary

be and are hereby severally authorised and shall always be deemed to have been so authorized, to do all such acts, matters, deeds and things and to execute all such deeds, documents, agreements etc. as may be necessary for the purpose of the proposed Rights Issue including but not limited to the following :

- (i) To obtain the requisite approvals, consents and sanctions from SEBI, stock exchanges, RBI, Registrar of Companies, Government of India, Foreign Investment Promotion Board ("FIPB"), lenders of the Company etc.;
- (ii) To file necessary certificates / returns / forms with SEBI, Stock Exchanges, Reserve Bank of India, Registrar of Companies, Government of India and other authorities;
- (iii) To issue public advertisements and notices;
- (iv) To apply to the stock exchanges for obtaining in-principle approval for listing and for permission to trade the equity shares and to do all such acts, deeds, matters and things and to sign all such papers, documents and agreements, as may be necessary to seek the listing of such equity shares on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited with power to settle any query, difficulty or doubt that may arise in regard to the Rights Issue;
- (v) To apply to the concerned depositories for the admission of the equity shares into the depository system; and
- (vi) To incur necessary expenses such as fees of various agencies, filing fees, stamp duty etc.

RESOLVED FURTHER THAT Mr. Ravi Singh, Company Secretary & Compliance Officer will act as the Secretary to the Committee and shall do all such acts, deeds as may be required."

By Order of the Board

For DYNACONS SYSTEMS & SOLUTIONS LTD.

Shirish M. Anjaria

Chairman & Managing Director

Dharmesh S. Anjaria

Executive Director

Date: August 29, 2011

Registered Office

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

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business set out in the accompanying Notice is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
5. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 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 INE417B01032.
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.

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

It is proposed to consolidated the to value of equity share capital of the Company from the present paid-up amount of Re. 1 per equity share into paid-up amount of Rs. 10 per equity share. The proposal to Consolidate the equity shares into greater amount is permissible as per Sec.94 (1) (b) of the provisions of the Companies Act, 1956.

The proposed consolidation of the face value of the Equity Shares of the Company from Re.1/- per share to Rs.10/- per share, requires that the existing physical share certificates in relation to the paid up Equity Shares of the Company is cancelled and new share certificates be issued in lieu thereof in accordance with the provision of the Companies (Issue of Share Certificate) Rules, 1960 and in case of Members who hold the Equity Share/opt to receive the consolidated Equity Shares, in Dematerialized Form, the consolidated Equity Shares will be credited to the respective beneficiary account of the Member, with their respective Depository Participants.

The proposed consolidation also requires an amendment to the Memorandum of Association of the Company. Accordingly, Clause V of the Memorandum of Association of the Company is proposed to be altered in the manner set out in the Resolution, to reflect the alteration in the Authorised Share Capital of the Company.

The approval of the Members of the Company is sought pursuant to the provisions of Sections 16 of the Act, for the proposed alterations to the Memorandum of Association of the Company, respectively.

The Directors commend the Resolutions at Item Nos. 4 & 5 of the accompanying Notice for acceptance by the Members of the Company.

The Memorandum and Articles of Association are available for inspection of any member of the Company at the Registered Office of the Company between 11 A.M. to 5 P.M. on any working day excluding public holidays from the date of this notice till the date of Annual General Meeting. The same will also be available for inspection at the meeting.

The Directors of the Company may be deemed to be concerned or interested in the above resolutions to the extent of their respective holdings in the Company.

Item no. 6:

Your Company is in requirement of funds to carry out its capital expenditure and growth plans, besides re-orienting its debt-equity position in a desired manner. Towards this purpose, the Company intends to issue fresh equity shares of the Company through Rights Issue. The proposed Rights Issue offers an opportunity to all the members of the company to participate in the proposed business plans of the Company and facilitate raising of requisite funds for its aforesaid plans.

Keeping in view the proposed business plans and Schedule of Depolyment the Board of Directors of the Company proposes to offer for subscription such number of equity shares with or without warrants attached thereto which may eventually be converted into Equity Shares on Rights Basis to the Members of the Company in proportion of their present shareholding in existing paid up capital of the Company, subject to rounding off as on the record date (to be determined by Board / Committee of Directors for this purpose) such that the aggregate size of the issue shall not exceed Rs. Twelve Crore or such sum, may be determined by the Board of Directors in this regard.

The equity shares to be offered on a right basis shall rank pari passu in all respects with the existing shares of the Company and shall be listed on the Exchanges on which the existing Equity shares of the Company are listed.

This Resolution seeks the consent of the Shareholders authorizing the Board to make the proposed Rights Issue of Equity Shares and to deal with any matter connected with the said Rights Issue of Equity Shares.

The Board of Directors, therefore recommend passing of the special resolution set out in the Notice convening Annual General Meeting.

The Directors of the Company may be deemed to be concerned or interested in the special resolution to the extent of their rights entitlement arising out of the proposed issue and to apply for additional shares in accordance with the provisions of applicable laws and regulations.

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. Dilip P. Palicha
Age	63
Date of Appointment on the Board	March 15, 2001
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

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

Shirish M. Anjaria
Chairman & Managing Director

Dharmesh S. Anjaria
Executive 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 Sixteenth Annual Report on the business and operations of the Company for the year ended March 31, 2011.

1. Financial Highlights

(Rs. in Lacs)

	Particulars	Year ended 31/03/2011	Year ended 31/03/2010
1.	Total Income	4233.52	3808.02
2.	Total Expenditure	3932.44	3586.88
3.	Interest	95.15	50.61
4.	Depreciation	91.81	72.74
5.	Profit before Tax	114.12	97.79
6.	Provision for Taxation - Current Tax	21.15	18.70
	- Deferred Tax	16.06	6.40
7.	Profit after tax	76.91	72.69

2. Management Analysis and Discussions**Company Performance**

During the year, your company earned total revenues of Rs. 4233.52 lacs compared with Rs. 3808.02 lacs during the previous year, reflecting a growth of 11% over the previous year. The profit before tax stood at Rs. 114.12 lacs as compared to Rs. 97.79 lacs in the previous year, a growth of 17% over the previous year. The Company has made a provision of tax totaling to Rs. 37.21 lacs and the profit after tax stood at Rs. 76.91 lacs for the current year.

The business transformation initiatives taken in the last few years have yielded good results. Your Company has decided to defocus from the low margin equipment business and grow the high value services. The operating profit (earnings before interest, tax and depreciation) increased by 36% to Rs 301.07 lacs from Rs 221.14 lacs in the previous year.

Your company has continued to grow its solutions and services portfolio to address business and customer needs. There is a strong focus on driving operational efficiencies due to which it has posted a strong performance during the previous year.

Review of Operations

The Global economy has continued to recover and this trend is expected to continue in the coming years. Developed economies are sluggish in recovery and emerging economies continue to show a good growth rate. The Indian growth story continues in spite of inflationary pressures and the technology spending in India is expected to grow significantly higher as compared to the other countries. The domestic market continues to have a strong services and solutions driven component. Investment in IT is increasingly been seen as an important element of growth strategies and also a fundamental enabler of cost reduction and cost optimization.

Changing economic and business conditions, and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Customers are increasingly demanding improved products and services with accelerated delivery times and at lower prices. To address these needs adequately, corporations are focusing on their core competencies and are using outsourced technology service providers to help improve productivity, reduce business risk, and manage operations more effectively.

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

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

The continued focus on the BFSI and the Government verticals has yielded spectacular results. Your Company has added several key customers such as State Bank of India, Punjab National Bank, Central Bank, Bank of India etc, towards managing the IT Infrastructure and Networking for their offices and branches. There is a continued focus on Infrastructure Services which enabled the company get into deeper engagement with existing customers and win large domestic deals in facility management, nationwide systems rollout and helpdesk services.

The company has done several solution deployments that include turnkey project implementations, integration and set-up of centralized data centres and end-to-end security deployments. The successful deployment and completion of the order from Municipal Corporation of Greater Mumbai demonstrates the System Integration expertise of the company to undertake such large deployments. This order has paved the way for regular business from MCGM and other such entities. Our track record of delivering high quality solutions across the entire Information Technology life cycle and our strong domain expertise helps us to solidify these relationships and gain increased business from our existing clients.

Dynacons provides comprehensive, end-to-end technology-based solutions which enables the company to extend their network of relationships, improve interaction with key decision makers within each client, increase the points of sale for new clients and diversify our service-mix. This integrated approach helps the company take advantage of growth opportunities available by becoming a vendor of choice for customers.

During the year under review, the key focus was on increasing the reach and market presence of the company and leveraging on our partnerships with global IT majors to increase the spectrum of offerings for customers. Taking a comprehensive view of business processes, applications, infrastructure, IT processes and tools, we helped our customers transform their IT Infrastructure to optimize their investments and achieve maximum return on investments. The role of technology has evolved from supporting corporations to transforming them.

Businesses today face a considerable challenge to effectively optimize their IT infrastructure and related operations and deliver ever-improving service levels to meet and exceed the expectations of their business-users without compromising on quality and security. Remote Infrastructure Management (RIM) is a mission-critical service requiring sophisticated tools and reflects high customer confidence and relationships. Your company has successfully demonstrated its RIM service capability and is moving towards becoming a fully integrated service provider.

Going forward, the company is looking making strategic investments/acquisitions, investing in the right business solutions, leverage its expertise in providing IT infrastructure solutions to further enhance the spectrum of offerings and focus on services expansion and become a vendor of choice for organizations. These will help in accelerating the company's growth through the new customers and geographical markets, improving the profitability through cost reduction, economies of scale and efficient utilization of resources.

Strengths

The company provides the entire spectrum of Information Technology services including Business Planning, Business Availability and Business Continuity Services. The company provides high quality, 24 hour, seven days a week support services by leveraging its expertise in managing IT Infrastructures for its customers. We undertake a systematic, aggressive and customer oriented approach to cater to this business segment.

The Company undertakes all activities related to IT infrastructure including infrastructure design and consulting services, turnkey systems integration of large network and data centre infrastructures including supply of associated equipment and software; on-site and remote facilities management of multi- location infrastructure of domestic clients. Our key differentiators include an end-to-end services and solutions driven model with a strong focus on quality in every aspect of service and product delivery.

This integrated approach helps the company take advantage of growth opportunities available by becoming a vendor of choice for customers.

We believe 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.

Quality

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

Customer satisfaction and excellence in quality are key elements for succeeding in the competitive global market. During the year a number of initiatives were launched for better market penetration, customer centricity and 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 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 growth in the economy as well as significant technology changes is presenting several opportunities to your company. The economic growth in the country has led to an increase in IT spends on infrastructure and services. In India, the higher growth is expected to come from the 2nd and 3rd tier towns and cities. The company's pan india presence will help to capitalize on this growth.

Cloud Computing and virtualization are changing the dynamics for providing solutions and services. The technology provides flexibility, convenience as well as reliability along with cost optimization. Your Company is adapting this technology for its own use as well as for its offerings.

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

We believe our strong brand, our robust quality process and our access to skilled talent base at lower costs of providing services places to us in a unique position to take advantage of the trend towards outsourcing IT services. The IT services segment is expected to grow significantly and your company is gearing itself to derive the benefits of this growth.

Risks and Concerns

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

The growth in the economy and IT industry is expected to lead to higher job opportunities and increased demand. This is leading to higher attrition across the IT industry. This coupled with the fast changing technology landscape will necessitate increased investment in manpower and innovative approaches to retain and develop the right talent

3. Dividend

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2011.

4. Directors

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

5. Auditors

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

6. Corporate Governance

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

7. Scheme of Arrangement:

A Scheme of Arrangement (Scheme) was entered into by the Company (DSSL) with Dynacons Technologies Limited (DTL), for the transfer and vesting of the Marketing & Distribution business and the 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 fixed a record date on January 7, 2011 to determine the members who are eligible to receive shares of Dynacons Technologies Limited. Pursuant to the Scheme, the equity capital of the company stands reorganized to Rs 59,230,800 consisting of 59,230,800 Equity Shares of the face value of Re 1/-. The shares were allotted to the members of the Company 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.

8. 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.

9. Human Resource Management

The success, performance and profitability of our company are built on a strong foundation of talented and committed people. A robust manpower planning process ensures that all steps from business requirements to sourcing and staffing are seamlessly aligned.

Our distinct people integration model, not only ensures faster time-to-productivity, but it also integrates culturally diverse professionals into the organisation by fostering a behavior based on a shared set of common values. Your Company has HR policy that elaborates on each aspect of human resource management including recruitment, employee development & training, staff welfare, administration services & recreation events.

The strategic initiatives for talent development through learning and development programs and experiential learning ensured that the Company had right competencies in its workforce to meet the business demand. Also your Company focuses on the development of the soft skills for the employees to enhance their skill-sets in alignment with their respective roles. The major thrust continues in the effort to bring about measurable change in training coverage and effectiveness, increasing the Leadership and Development opportunities for every staff member. We will continue to invest even more in strengthening our ability to attract develop and retain talent.

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

10. 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.

11. 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.

12. 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. 2.17 lacs (previous year 0.77 lacs)

13. Acknowledgements

Your Directors thank the Company's Investors, Clients, Vendors, Bankers, Business and various governmental as well as regulatory agencies for their continued support and confidence in the management.

Your Directors wish to place on record their deep sense of appreciation of the dedicated and sincere services rendered by employees at all levels during the year. Your company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman &
Managing Director

Parag Dalal
Executive Director

Mumbai: May 30, 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. During the year under review, the Board of Directors continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of the major risks of the company's business and ensuring that the company pursues policies and procedures to satisfy its legal and ethical responsibilities.

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

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

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

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board Meetings Attended	No. of other Directorship	No. of Membership/ chairmanship of other Board Committee#
Mr. Shirish M. Anjaria	Chairman and Managing Director	Yes	8	1	-
Mr. Parag J. Dalal	Executive Director	Yes	8	1	-
Mr. Dharmesh S. Anjaria	Executive Director	Yes	8	1	-
Mr. Mukesh P. Shah	Director	Yes	6	1	2
Mr. Dilip P. Palicha	Director	No	6	1	2
Mr. Viren C. Shah	Director	Yes	5	1	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.

Eight Board Meetings were held during the year 2010-2011. The Board Meetings are held at the Registered Office of the Company.

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

April 15, 2010, May 13, 2010, July 30, 2010, August 24, 2010, October 14, 2010, January 18, 2011, February 3, 2011, February 26, 2011.

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	5
Mr. Dilip Palicha	Non-Executive & Independent Director	4
Mr. Viren Shah	Non-Executive & Independent Director	3

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

The Audit Committee met four times during the financial year 2010-2011 on the following dates: May 12, 2010, July 30, 2010, August 23, 2010, October 07, 2010 and 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 of payment of any other services.

Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following

- Matters required to be included in the Director's Responsibility Statement.
- Any change in accounting policies and practices.
- Major accounting entries based on exercise of judgement by management
- Significant adjustment arising out of audit.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Qualification in draft audit report.

Any related party transaction, i.e., transaction of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.

Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems.

Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

Discussion with internal auditors any significant findings and follow up thereon.

Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.

Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

Reviewing the Company's financial and risk management policies.

4. REMUNERATION COMMITTEE

Brief description of terms of reference

To approve the annual Remuneration of the Directors and Employees of the Company.

To review the performance of the Chairman and Managing Director and the Wholetime Directors after considering the company's performance.

To review, assess and recommend the remuneration of the Chairman and Managing Director and the Wholetime Directors

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. Company Secretary of the Company acted as the Secretary to the Remuneration Committee.

Remuneration Policy

Remuneration of employees largely consists of basic remuneration and performance incentives. The Company while deciding the remuneration package takes into consideration the employment scenario, remuneration package of the industry and the remuneration package of other Industries. The annual variable pay of Senior Managers is linked to the performance of the Company and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

The 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 all the Directors for the year ended March 31, 2011

Name of Director	Position	Salary
Mr. Shirish Anjaria	Chairman & Managing Director	Rs. 4,80,000/-
Mr. Parag Dalal	Wholetime Director	Rs. 9,60,000/-
Mr. Dharmesh S. Anjaria	Wholetime Director	Rs. 9,60,000/-

The Company has not issued any Stock options to the Executive Directors. The Non-Executive 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 Company Secretary of the Company is the Compliance Officer of the Company. The composition of the committee and details of the meetings attended by the Directors are given below:

Name of the Director	Category	No. of Meetings attended
Mr. 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 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, 35 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 been submitted to the Stock Exchanges where the Companies equity shares are listed in the requisite format duly signed by the Compliance Officer.

7. GENERAL BODY MEETINGS

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

15th AGM : September 28, 2010 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.

Number of Special Resolutions passed : Four

Details of Special Resolution are as follows:

- 1) Re-appointment of Mr. Shirish Anjaria as a Chairman cum Managing Director.
- 2) Re -appointment of Mr. Parag Dalal as a Whole Time Director.
- 3) Re-appointment of Mr. Dharmesh Anjaria as a Whole Time Director.

Court Convened Meeting of Members : of the Company was held on July 28, 2010 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058 for the approval of the Scheme of Arrangement.

14th AGM : September 30, 2009 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai - 400058.
Number of Special Resolutions passed : None

13th AGM : September 30, 2008 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai - 400058.
Number of Special Resolutions passed : None

8. CODE OF CONDUCT

The Board of Directors has laid down Code of conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Director (including Senior Management of the Company) and Non Executive Directors are uploaded on the website of the Company – www.dynacons.com

9. DISCLOSURES

- 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**
- 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**
- 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.
- 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.
- 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.
- 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

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

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting :-

- Date and Time	September 29, 2011 at 3:00 P.M.
- Venue	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058.

11.2 Financial Calendar: - (Tentative)

Financial Reporting for quarter ending: -	April'11 – March'12
- 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 September 23, 2011 to September 29, 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	532365
The National Stock Exchange of India Ltd.	DYNASYS
(b) Listing of Global Depository Receipts	N. A.
(c) Demat ISIN numbers in NSDL & CDSL	INE417B0132

(d) Annual listing fees for the year 2011-2012 have been duly paid to all the above Stock Exchanges.

11.6 Stock Market Data

	Bombay Stock Exchange (BSE) (in Rs.)		National Stock Exchange (NSE) (in Rs.)	
	Month's high price	Month's low price	Month's high price	Month's low price
April 2010	1.35	0.86	1.35	0.85
May 2010	0.93	0.78	0.95	0.75
June 2010	1.00	0.83	1.00	0.85
July 2010	0.96	0.85	0.95	0.85
Aug. 2010	0.97	0.85	0.95	0.90
Sep. 2010	1.00	0.84	1.00	0.85
Oct. 2010	1.01	0.84	1.05	0.85
Nov. 2010	1.01	0.72	1.00	0.75
Dec. 2010	1.19	0.70	1.35	0.70
Jan. 2011	1.30	0.95	1.35	1.05
Feb. 2011*	-	-	-	-
Mar. 2011*	-	-	-	-

Note: * Pursuant to Scheme of Arrangement and post receiving approval from necessary Authorities. The Company had fixed January 7, 2011 as a record date to decide the members who are entitled to receive shares of Dynacons Technologies Ltd.

Pursuant to which, the shares were suspended temporarily for trading on Exchanges due to procedural purpose. Hence, no trading happened during the month of February & March. The Company got re-listed on April 7, 2011.

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

11.8 Share Transfer System

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

11.9 Distribution of Shareholding as on March 31, 2011

No of Equity Shares	No of Folios	% of Total	Total Holding in Rs.	% of Total
1-5000	15739	92.45	16719346	28.23
5001-10000	739	4.34	5486046	9.26
10001-20000	306	1.80	4572377	7.72
20001-30000	75	0.44	1900127	3.21
30001-40000	63	0.37	2331236	3.94
40001-50000	21	0.12	934580	1.58
50001-100000	36	0.21	2569800	4.33
100001 & above	45	0.27	24717288	41.73
Total	17024	100	59230800	100

11.10 Shareholding of Directors

Sr.No.	Name of Directors	No. of Shares	Percentage (%)
1	Mr. Shirish Anjaria	3609484	6.09
2	Mr. Dharmesh Anjaria	3562200	6.01
3	Mr. Parag Dalal	3472000	5.86

11.11 Dematerialization of Shares as on March 31, 2011

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
5,9230,800	1,21,03,720	20.44	4,71,27,080	79.56

11.12 Shareholding Pattern as on March 31, 2011

Category	No of Shares held	Percentage of Shareholding
Indian Promoters	17574470	29.67%
Private Corporate Bodies	4122002	6.96%
Indian Public	36843747	62.20%
NRI/OCBs	612463	1.03%
Trust	Nil	0.00%
Clearing Member/Transit	78118	0.14%
Total	59230800	100.00%

11.13 Outstanding GDRs /ADRs : N.A**11.14 Compliance Officer : Mr. Ravishankar Singh**

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

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

11.16 Corporate Ethics:

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

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

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

Further certified that the Members of the Board of Director and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2011.

Shirish Anjaria

Chairman & Managing Director

Mumbai : May 30, 2011

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Board of Directors

Dynacons Systems & Solutions Ltd.

Mumbai.

We have examined the compliance of the conditions of Corporate Governance by Dynacons Systems & Solutions Limited for the year ended 31st March, 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 the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **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 Systems & Solutions 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 Systems & Solutions Ltd.**

Shirish Anjaria
Chairman &
Managing Director

Dharmesh S. Anjaria
Chief Financial Officer &
Executive Director

AUDITOR'S REPORT

TO THE MEMBERS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED

We have audited the attached Balance Sheet of **DYNACONS SYSTEMS & SOLUTIONS 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 15 Notes to Accounts forming part of the Balance Sheet concerning the Scheme of Arrangement 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

Place : Mumbai
Dated : May 30, 2011

C. K. PALAN
Partner
Membership No: 100741

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF**DYNACONS SYSTEMS & SOLUTIONS 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 Systems & Solutions Limited**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	59,230,800	59,230,800
b) Reserves and Surplus	2	81,741,635	74,050,717
2. LOAN FUNDS:			
Secured Loans	3	89,877,767	74,430,972
3. DEFERRED TAX LIABILITY (Net)			
		8,755,066	7,149,065
	Total (Rs)	<u>239,605,268</u>	<u>214,861,555</u>
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS			
	4		
a) Gross Block		120,286,516	118,227,226
b) Depreciation		<u>17,523,338</u>	<u>16,294,065</u>
c) Net Block		102,763,178	101,933,161
d) Capital Work-in-progress and Advances		3,250,000	4,950,000
2. INVESTMENTS			
	5	15,111,250	15,111,250
3. CURRENT ASSETS, LOANS AND ADVANCES:			
a) Inventories	6	51,157,875	21,149,411
b) Sundry Debtors	7	63,306,513	88,411,651
c) Cash and Bank Balances	8	17,802,098	9,689,534
d) Loans and Advances	9	<u>6,488,508</u>	<u>26,271,377</u>
		138,754,994	145,521,974
4. CURRENT LIABILITIES AND PROVISIONS:			
a) Current Liabilities	10	19,561,609	52,169,873
b) Provisions		<u>712,544</u>	<u>484,957</u>
		20,274,153	52,654,830
Net Current Assets		118,480,841	92,867,144
	Total (Rs)	<u>239,605,268</u>	<u>214,861,555</u>
Notes forming part of Accounts	15		

As per our report of even date attached

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

C. K. Palan

Patner

Membership No: 100741

Mumbai : May 30, 2011

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

Chairman & Managing Director

Parag Dalal

Executive Director

Dharmesh Anjaria

Executive Director

Ravishankar Singh

Company Secretary

Dynacons Systems & Solutions Limited

Profit and Loss Account for the period ended March 31, 2011

	SCHEDULE	2011 Rs.	2010 Rs.
INCOME:			
Sales of Hardware, Software, Development & Services		423,333,669	380,610,364
Other Income	11	17,881	191,766
	Total (Rs)	423,351,550	380,802,130
EXPENDITURE:			
Cost of Sales & Development	12	365,974,618	335,728,394
Operating & Establishment Expenses	13	27,269,489	22,959,480
Interest	14	9,514,517	5,060,575
Depreciation		9,181,007	7,274,823
	Total (Rs)	411,939,631	371,023,271
PROFIT BEFORE TAXATION		11,411,919	9,778,859
Provision for Taxation			
a) Current Tax		2,115,000	1,870,000
b) Deferred Tax		1,606,001	639,704
PROFIT FOR THE YEAR		7,690,918	7,269,155
Add : Balance of earlier year		55,004,723	47,739,435
Profit available for Appropriation		62,695,641	55,008,589
Less : Short Provision for Taxation for earlier years	-	3,866	
BALANCE CARRIED TO BALANCE SHEET		62,695,641	55,004,723
Earning Per Share (Face Value Re 1) Basic and Diluted		0.13	0.12
Notes forming part of Accounts	15		

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

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Dynacons Systems & Solutions Limited
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	11,411,919	9,778,859
Add: Depreciation	9,181,007	7,274,823
(Profit)/Loss on sale of Fixed Assets	497,789	721,135
Interest paid	9,514,517	5,060,575
Dividend received	(5,000)	(5,000)
	<u>19,188,313</u>	<u>13,051,533</u>
Operating profit before working Capital	30,600,232	22,830,392
Changes in current assets and liabilities		
(Increase)/Decrease in Inventories	(30,008,464)	(1,608,711)
(Increase)/Decrease in Inventories transferred pursuant to the Scheme of Arrangement	-	40,024,756
(Increase)/Decrease in Trade & Other Receivable	44,716,613	(62,676,943)
(Increase)/Decrease in Trade & Other Receivable transferred pursuant to the Scheme of Arrangement	-	74,429,150
Increase/(Decrease) in Current Liabilities & Provision	(32,380,677)	44,355,435
Increase/(Decrease) in Current Liabilities & Provision transferred pursuant to the Scheme of Arrangement	-	(19,541,003)
	<u>(17,672,527)</u>	<u>74,982,685</u>
Cash Generated from Operations	12,927,704	97,813,076
Taxes paid	(1,943,606)	(2,816,188)
Net Cash Flow from operating activities	<u>10,984,098</u>	<u>94,996,888</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13,638,813)	(25,186,244)
Fixed Assets transferred pursuant to the Scheme of Arrangement	-	34,881,116
Sale of Fixed Assets	3,130,000	2,016,335
Capital Work-in-Progress and Advances	1,700,000	(2,250,000)
Capital Work-in-Progress and Advances transferred pursuant to the Scheme of Arrangement	-	87,500,000
Dividend received	5,000	5,000
Investments	-	(14,300,000)
Investments transferred pursuant to the Scheme of Arrangement	-	50,000,000
Net Cash Used for Investing Activities	<u>(8,803,813)</u>	<u>132,666,207</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) In Secured/Unsecured Loans	15,446,795	43,051,148
Secured/Unsecured Loans transferred pursuant to the Scheme of Arrangement	-	(53,992,057)
Interest Paid	(9,514,517)	(5,060,575)
Increase in Equity Share Capital pursuant to the Scheme of Arrangement	-	(237,692,700)
Increase in Reserves pursuant to the Scheme of Arrangement	-	16,351,662
Net cash From Financing Activities	<u>5,932,278</u>	<u>(237,342,522)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	8,112,563	(9,679,426)
Cash and Cash Equivalents (Opening Balance)	9,689,533	19,368,959
Cash and Cash Equivalents (Closing Balance)	17,802,097	9,689,533
	<u>(8,112,563)</u>	<u>9,679,426</u>

Notes

1 Components of cash and cash equivalents include bank balances in current account as disclosed under Schedule 8 of the accounts

For **P.C. Ghadiali & Co**

Firm Regn. No. : 103132W

Chartered Accountants

C. K. Palan

Patner

Membership No: 100741

Firm Regn. No. : 103132W

Mumbai : May 30, 2011

For and on behalf of the Board

Shirish Anjaria

Chairman & Managing Director

Dharmesh Anjaria

Executive Director

Parag Dalal

Executive Director

Ravishankar Singh

Company Secretary

Dynacons Systems & Solutions Limited

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

	2011 Rs.	2010 Rs.
SCHEDULE 1: SHARE CAPITAL		
AUTHORISED		
300,000,000 Equity shares of Re. 1/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and paid up:		
59,230,800 Equity shares of Re. 1/- each. (Previous Year 59,230,800 Equity shares of Re. 1/- each.) (Pursuant to the Scheme the Equity Capital of the Company has been reorganized) (Refer Note No. ii.2 Schedule 15)	59,230,800	59,230,800
Total (Rs)	<u>59,230,800</u>	<u>59,230,800</u>
SCHEDULE 2: RESERVES AND SURPLUS		
1. Profit and Loss Account	62,695,641	55,004,723
2. General Reserve (for Adjustment pursuant to the Scheme of Arrangement, Refer Note No. ii.2 Schedule 15)	19,045,994	19,045,994
Total (Rs)	<u>81,741,635</u>	<u>74,050,717</u>
SCHEDULE 3 : SECURED LOANS		
Working Capital facilities with Banks (Secured against hypothecation of inventories, book debts & personal guarantees of some of the Directors)	79,737,023	72,728,926
Term Loans with Banks (Secured by way of exclusive charge on the equipment out of the proceeds of loan and personal guarantees of some of the Directors)	8,740,607	-
Vehicle Loans (Secured against hypothecation of Motor Vehicles)	1,400,137	1,702,046
Total (Rs)	<u>89,877,767</u>	<u>74,430,972</u>

SCHEDULE 4: FIXED ASSETS

Particulars	Gross Block					Depreciation					Net Block	
	As on 1-Apr-10	Transferred pursuant to Scheme of Arrangement (Refer note No. II.2 of Schedule 15)	Additions	Deductions	As on 31-Mar-11	Up to 01-Apr-10	Transferred pursuant to Scheme of Arrangement (Refer note No. II.2 of Schedule 15)	For the Year	Deduction s	Up to 31-Mar-11	As on 31-Mar-11	As on 31-Mar-10
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLES												
Premises	60,050,000	-	-	-	60,050,000	-	-	-	-	-	60,050,000	60,050,000
Computers	44,935,159	-	13,595,822	11,579,523	46,951,458	11,575,390	-	7,932,086	7,951,734	11,555,742	35,395,716	33,359,769
Office Equipment	524,962	-	26,000	-	550,962	197,058	-	25,697	-	222,755	328,206	327,903
Furniture & Fixtures	870,659	-	16,991	-	887,650	604,324	-	55,537	-	659,861	227,789	266,335
Motor Car	3,391,446	-	-	-	3,391,446	535,293	-	322,187	-	857,480	2,533,966	2,856,153
INTANGIBLES												
Software Dev. Exp	8,455,000	-	-	-	8,455,000	3,382,000	-	845,500	-	4,227,500	4,227,500	5,073,000
Total Rs.	118,227,226	-	13,638,813	11,579,523	120,286,516	16,294,065	-	9,181,007	7,951,734	17,523,338	102,763,178	101,933,161
Previous Year	160,215,740	53,289,803	25,186,244	13,884,955	118,227,226	38,575,414	18,408,687	7,274,823	11,147,485	16,294,065	101,933,161	121,640,326

SCHEDULE 5: INVESTMENTS

LONG TERM (AT COST)

TRADE (UNQUOTED)

Kapol Co-op Bank Ltd

5,000 Equity Shares of Rs. 10 each

Dynacons Technologies Limited

(15,000,000 (Previous year 15,000,000) Equity Shares of Rs. 1 each, fully paid up)

Aggregate value of Unquoted Investments

NON-TRADE (QUOTED)

Dena Bank

2,000 Equity Shares of Rs. 10 each

Aggregate value of Quoted Investments

(Market Value of Quoted investments Rs 208,000

(Previous year Rs 156,600)

Total (Rs)

SCHEDULE 6: INVENTORIES

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

Finished Goods

Total (Rs)

51,250 51,250

15,000,000 15,000,000

15,051,250 15,051,250

60,000 60,000

60,000 60,000

15,111,250 15,111,250

51,157,875 21,149,411

51,157,875 21,149,411

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured, Considered good)

a. Outstanding for a period exceeding six months	2,363,464	8,164,560
b. Others	60,943,049	80,247,091
Total (Rs)	<u>63,306,513</u>	<u>88,411,651</u>

SCHEDULE 8: CASH AND BANK BALANCES

Cash on hand	1,268,221	1,023,898
Balance with Banks in Current Account: - with Scheduled Banks	301,882	101,58
Balance with Banks in Fixed Deposits - with Scheduled Banks	16,231,994	8,564,054
Total (Rs)	<u>17,802,098</u>	<u>9,689,534</u>

SCHEDULE 9: LOANS AND ADVANCES

(Unsecured, Considered good)

Advances recoverable in cash or in kind or for value to be received	4,586,023	24,349,097
Advance Income tax and tax deducted at source (Net of Provision for tax Rs. 8,612,150/- (Previous year Rs. 64,97,150)	1,902,485	1,922,280
Total (Rs)	<u>6,488,508</u>	<u>26,271,377</u>

SCHEDULE 10: CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors		
- Micro and Small Enterprises (See Notes No II/6)	-	-
- Others	12,681,321	46,142,695
Outstanding Expenses	6,880,288	6,027,178
Total (Rs)	<u>19,561,609</u>	<u>52,169,873</u>

PROVISIONS

Provision for Employee Benefits	712,544	484,957
Total (Rs)	<u>712,544</u>	<u>484,957</u>

SCHEDULE 11: OTHER INCOME

Dividend Received from Long Term Investments	5,000	5,000
Miscellaneous Income	12,881	186,766
Total (Rs)	<u>17,881</u>	<u>191,766</u>

SCHEDULE 12: COST OF SALES & DEVELOPMENT

Opening Stock	21,149,411	19,540,700
Add : Purchases & Development Costs	395,983,082	337,337,105
	<u>417,132,493</u>	<u>356,877,805</u>
Less :Closing Stock	51,157,875	21,149,411
	<u>365,974,618</u>	<u>335,728,394</u>
Total (Rs)		

SCHEDULE 13: OPERATING & ESTABLISHMENT EXPENSES

Salaries	13,374,670	12,180,217
Contribution to Staff Provident Fund	104,361	131,386
Staff Welfare Expenses	441,454	279,957
Directors Remuneration	2,400,000	1,980,000
Conveyance and Travelling Expenses	1,615,170	480,553
Motor Car Expenses	347,227	247,572
Printing and Stationary Expenses	551,536	1,116,143
Legal and Professional charges	1,861,497	1,027,147
Communication Expenses	595,235	661,609
Auditors Remuneration		
- For Services as Auditors	260,000	260,000
Rent	315,200	287,285
Rates & Taxes	184,893	4,000
Repairs & Maintenance - Building	103,911	77,612
- Others	379,602	82,192
Sales Promotion Expenses	413,055	302,383
Miscellaneous Expenses	882,680	117,319
Loss on sale/write-off of Assets	497,789	721,135
Discount Allowed	38,418	29,500
Bank charges	730,749	958,359
Transportation Expenses	1,271,007	1,306,239
Electricity Expenses	380,715	397,655
Membership and Subscriptions	68,233	47,692
Insurance Charges	452,087	263,527
	<u>27,269,489</u>	<u>22,959,480</u>
Total (Rs)		

SCHEDULE 14: INTEREST**Interest expenses**

On Fixed Loans	137,939	74,208
On Others	11,921,019	5,474,780
	<u>12,058,958</u>	<u>5,548,988</u>
Less : Interest earned		
Interest Received (Gross)	2,544,441	488,413
(Tax deducted at Source Rs.296,876/- (P.Y. Rs.48,876-))		
	<u>9,514,517</u>	<u>5,060,575</u>
Total (Rs)		

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

Schedule 15 : NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Company Overview

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

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 .

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

4. Expenditure Recognition

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

5. 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 are charged as an expense as they fall due.

Defined Benefit plan

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

ii. Short-term employee benefits

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

12. Income Tax

The tax expense for the year comprises of Current Tax and Deferred Tax. Current Taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

13. Borrowing Costs

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

14. Impairment

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

15. Leases

Operating Lease

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

Finance Lease

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

16. Earnings per share

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

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 Rs. 2,19,82,406/- (previous year Rs 38,86,462/-)

2. SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement (the Scheme) entered into by the Company with Dynacons Technologies Limited (DTL), the Marketing and Distribution Business and Manufacturing Business of the Company was transferred to DTL 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 DTL 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 in DTL of face value of Re 1 each for every 10(ten) equity shares of Rs 2 each held by such member in DSSL.

Pursuant to the Scheme, the equity capital of the company stands reorganised in a manner that each shareholder of the company whose name appeared in the Register of members of the company on the Record Date shall receive 4 fully paid Equity Shares of the face value of Re 1 each of the company in lieu of every 10 equity shares of the face value of Rs 2 each held.

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)	73,533,059
NET ASSETS TRANSFERRED (A-B)	221,341,038

ADJUSTMENTS PURSUANT TO SCHEME OF DEMERGER

Particulars	Amount (Rs.)	Amount (Rs.)
Equity Share Capital (pre Scheme of Arrangement)	296,154,000	
Less : Equity Share Capital (post Scheme of Arrangement)	59,230,800	
Equity Share Capital Cancelled		236,923,200
Share Forfeitures Account		769,500
Share Premium		2,694,332
(A)		240,387,032
Less : Net Assets Transferred	(B)	221,341,038
Balance transferred to General Reserve	(A-B)	19,045,994

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. 2,400,000	Rs. 1,980,000

4. Expenditure in Foreign Currency

	2011	2010
Travelling Expenses	Rs. 217,893	Rs. 23,425

5. Auditors Remuneration

	2011	2010
Audit Fees & Consultancy	Rs. 240,000	Rs. 240,000
Tax Audit Fees	Rs. 20,000	Rs. 20,000

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

	2011		2010	
	Nos.	Amount(Rs.)	Nos.	Amount(Rs.)
Opening Stock	2,382	21,149,411	3,748	19,540,700
Purchases	25,498	395,983,082	25,491	337,337,105
Closing Stock	3,486	51,157,875	2,382	21,149,411

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, 2011 - 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, 2011	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 and Services.

9. Related Party Disclosures

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

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

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

Party	Nature of Payment	2011	2010
M/s S.P. Corporation	Rent for Premises	Rs. 105,000	Rs. 60,000
M/s S.P. Corporation	Reimbursement of Expenses	Rs. 98,161	Rs. 77,612
Mr. Shirish M. Anjaria	Remuneration	Rs. 480,000	Rs. 390,000
Mr. Parag J. Dalal	Remuneration	Rs. 960,000	Rs. 795,000
Mr. Dharmesh S. Anjaria	Remuneration	Rs. 960,000	Rs. 795,000
Dynacons Technologies Limited	Investment in Share Capital	Rs. 15,000,000	Rs. 15,000,000
Dynacons Technologies Limited	Assets and Liabilities transferred pursuant to Scheme of Arrangement		Refer Note No 2 above
Dynacons Technologies Limited	Amount receivable/(payable) as at year end	(Rs. 8,693,345)	Rs. 22,003,653

10. Earnings per Share (Basic and Diluted)

	March 31, 2011	March 31, 2010
Profit after Tax	76,90,918	7,269,155
Weighted Number of Equity Shares	59,230,800	59,230,800
Earnings Per Share (of paid up Value of Re. 1 each)	0.13	0.12

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, 2011
Deferred Tax Liabilities			
- Depreciation	7,243,787	1,610,318	8,854,105
Deferred Tax Assets			
- Gratuity	94,722	4,317	99,039
Total	7,149,065	16,06,001	87,55,066

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. 315,200/- (Previous year Rs. 287,285/-).

13. Retirement Benefit Plans

Defined Contribution Plan

The Company makes contributions towards provident fund and pension to the Employee's Provident Fund Organisation (Statutory Provident Fund set up by an Act of Parliament). Under the scheme, the Company is required to contribute a specified percentage of salary of the employees to fund the benefit. Contribution made to the Fund during the year, charged to profit and loss are as under:

Particulars	2011	2010
Employer's Contribution to Provident Fund	Rs. 104,361	Rs. 131,386

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 :		
	Liability at the beginning of the year	298,187	270,741
	Defined Benefit Obligation transferred pursuant to Scheme of Arrangement (Refer Note No.2 above)	NIL	11,700
	Interest Cost	NIL	NIL
	Current Service Cost	33,291	39,146
	Past Service Cost (Non Vested Benefit)	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL
	Benefit Paid	NIL	NIL
	Balance	331,478	298,187
	Actuarial (gain)/loss on obligations	NIL	NIL
	Liability at the end of the year	331,478	298,187
III.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	331,478	298,187
	Fair Value of Plan Assets at the end of the year	NIL	NIL
	Difference	331,478	298,187
	Unrecognized Past Service Cost	NIL	NIL
	Amount Recognized in the Balance Sheet	331,478	298,187
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	33,291	39,146
	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	33,291	39,146

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.

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 Rs.1,824,639/- (Previous year Rs. 1,905,062/-).

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 1-14 AND NOTES TO ACCOUNTS 15**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 Anjaria
Chairman & Managing Director

Dharmesh Anjaria
Executive Director

Parag Dalal
Executive Director

Ravishankar Singh
Company Secretary

Dynacons Systems & Solutions Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. : L72200MH1995PLC093130
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 : 239,605 Total Assets : 239,605

Sources of Funds

Paid-up Capital : 59,231
Reserves & Surplus : 81,742
Secured Loans : 89,878
Unsecured Loans : -
Deferred Tax Liability : 8,755

Application of Funds

Net Fixed Assets : 106,013
Investments : 15,111
Net Current Assets : 118,481
Misc. Expenditure : Nil
Accumulated Losses : Nil

IV Performance of Company

(Amount in Rs. Thousands)

Turnover : 423,352
Total Expenditure : 411,940
Profit/ Loss Before Tax : 11,412
Profit/ Loss After Tax : 7,691
Earning Per Share in Rs. : 0.13
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

Parag Dalal
Executive Director

Mumbai : May 30, 2011

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

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.

Sustain ability 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.dynacons.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 Systems & Solutions Ltd.**

Ravishankar Singh

Company Secretary

DYNACONS SYSTEMS & SOLUTIONS 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:

Blank Page

Book-Post

If undelivered, please return to:



DYNAGONS
SYSTEMS & SOLUTIONS LTD.

AN IT INFRASTRUCTURE SOLUTIONS COMPANY
78, Ratnajyot Industrial Estate, Irla Lane,
Vile Parle (W), Mumbai - 400 056.