

DYNACONS
SOLUTIONS THAT EMPOWER

**ANNUAL REPORT
2013-2014**

DYNACONS SYSTEMS & SOLUTIONS LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Shirish M. Anjaria	Chairman cum Managing Director
Shri. Parag. J. Dalal	Executive Director
Shri. Dharmesh S. Anjaria	Executive Director
Shri. Mukesh P. Shah	Director (Resigned w.e.f. September 24,2013)
Shri. Viren Shah	Director
Shri. Vishal G. Chappar	Director
Shri. Dilip Palicha	Director (Appointed w.e.f. March 21,2014)

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

COMPANY SECRETARY

Mr. Ravishankar Singh

REGD. OFFICE

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

AUDITORS

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

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Awards Won !!!



Channel World "INGENIOUS 100" 2014



CIO Choice - Emerging IT Services Company



Channel World Special - Datacenter Award



Channel World - Security Award 2014

Your company has made a tremendous mark by bagging some spectacular awards in varied categories.

- 1) Recognition as Emerging IT Services company by CIO choice. The CIO's verdict for recognizing & celebrating preferred products and solutions.
- 2) A special award for Datacenter capabilities, recognizing innovation, ingenuity, leadership and 'out of the box' thinking.
- 3) Security Award for redefining the benchmark of excellence by planning, implementing and managing security solutions that significantly enhance their customer's security landscape.
- 4) Ingenious Award for displaying innovative business strategies that led to profitable growth.



Our Tie-ups



IBM
IBM Business Partner



HP
HP Business Partner



LENOVO
Platinum Business Partner



The power to do more

DELL
Preferred Partner



CISCO
CISCO Business Partner



MICROSOFT
Silver Certified Partner



ORACLE
Gold Partner



JUNIPER NETWORKS
Business Partner



ARUBA NETWORKS
Business Partner



REDHAT
Business Partner



RUCKUS WIRELESS
Business Partner



SYMANTEC
Business Partner



APPLE
Authorised Reseller



NETMAGIC
Business Partner



RIVERBED
Riverbed Certification



VODAFONE
Business Partner



AIRTEL
Business Partner



RELIANCE COMMUNICATIONS
Business Partner

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of Dynacons Systems & Solutions Limited will be held on Tuesday, 30th Day, September, 2014 at 3.00 P.M, at Karl Residency , 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, to transact the following of :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 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. Shirish Anjaria (Din: 00444104), who retires from the office of Managing Director by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. Palan & Co., Chartered accountants, as Statutory Auditors of the Company.

To consider and, if thought fit, to pass the following Resolution with or without modification(s), if any, as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, Palan & Co., Chartered accountants (Firm's Registration No.133811W), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. P.C. Ghadiali & Co., Chartered accountant to hold office from the conclusion of this Annual General Meeting(AGM) till the conclusion of the 22nd AGM of the Company to be held in the year 2017(Subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket, traveling expenses, etc., as may be mutually agreed between the Board of Directors of the Company & the Auditors."

SPECIAL BUSINESS:**4. Appointment of Mr. Dilip Palicha as an Independent Director:**

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

"RESOLVED THAT Mr. Dilip Palicha (holding Din 02879480), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 21st March, 2014, in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Article 125 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

5. Appointment of Mr. Viren Shah as an independent Director

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the rules framed thereunder, Mr. Viren Champaklal Shah (Din 02886221), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

6. Appointment of Mr. Vishal Chapper as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the rules framed thereunder, Mr. Vishal Chapper (Din 05341830), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 24th Annual General Meeting of the company to be held in the year 2019."

By Order of the Board of Director

For DYNACONS SYSTEMS & SOLUTIONS LTD

Date : September 03,2014

Place : Mumbai

Shirish M. Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

Registered Office

78, Ratnaji Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN : **L72200MH1995PLC093130**

NOTES:

1. The Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013(the act) in respect of the Item No.3 to Item No.6 is annexed hereto.

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

A person can act as proxy on behalf of members not exceeding (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.

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. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 24th day of September, 2014 to Tuesday, the 30th day of September, 2014. (both days inclusive).

6. The Members holding the shares in physical form may obtain the nomination form from the company's Registrar & Share transfer agent.

7. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the company at least 10 days prior to the annual general meeting so that the required information can be made available at the company

8. In compliance with the provisions of section 108 of the act and the rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited(NSDL), on all the resolutions set forth in the notice

9. 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.

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

11. 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.

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

13. Annual Listing fees for the year 2014-15 has been paid to all stock exchange wherein shares of the company are listed.

14. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

i. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.

iii. Click on Shareholder - Login.

iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.

vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.

viii. Select "EVEN" (E-Voting Event Number) of Dyancons Systems & Services Limited. Now you are ready for e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csshrutishah@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial username and password is provided.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on September 25, 2014 (9:30 am IST) and ends on September 27, 2014 (6:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29th, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - ii. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 29th August, 2014.
 - iii. Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - iv. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923), at the Registered Office of the Company not later than September 27, 2014 (6:00 pm IST).
Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor@dynacons.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than September 27, 2014 (6:00 pm IST).
Ballot Form received after this date will be treated as invalid.
A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Nineteenth AGM of the Company on September 30, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board
For DYNACONS SYSTEMS & SOLUTIONS LTD

Date : September 03, 2014

Place : Mumbai

Shirish M. Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN : **L72200MH1995PLC093130**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 of the Companies Act, 2013

ITEM NO. 3:

M/s. P.C. Ghadiali & Co., Chartered Accountants were appointed as a Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company held on 30th September, 2013. M/s. P.C. Ghadiali & Co., Chartered Accountants have expressed their unwillingness to offer themselves for re-appointment as Statutory Auditors of the Company.

M/s. Palan & Co., Chartered Accountants, (Firm's Registration No. 133811W), are proposed to be appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company to be held on 30th September, 2014. In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Palan & Co. can be appointed as Auditors for further period of three years after commencement of the Companies Act, 2013 i.e. upto March 31, 2017.

The Auditors have informed the Company that their appointment if made would be within the limits prescribed u/s 141 of the Companies Act, 2013 and the Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

In view of the above, M/s. Palan & Co. being eligible for appointment and based on recommendation of the Audit committee, the Board has proposed the appointment of M/s. Palan & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of 3 years to hold office from the conclusion of this AGM till the conclusion of 22nd AGM of the Company to be held in the year 2017 (Subject to the ratification of their appointment at every AGM)

The Board recommends the resolution at item No.3 for approval by members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 3 of the Notice.

ITEM NO. 4, 5, 6

Pursuant to Clause 49 of the listing Agreement, the Board of Directors of the Company comprises the following Independent Directors and in the opinion of the Board, the Below Independent Directors fulfils the conditions specified in this Act for such an appointment of Mr. Dilip Palicha, Mr. Viren Shah and Mr. Vishal Chapper

Pursuant to the provisions of Section 149 of Companies Act, 2013 (The Act), which came into effect from April 1, 2014, the Independent Directors are not liable to retire by rotation.

All the Non-executive Directors of the Company, have given a declaration to the board that they meet the criteria of independence as provided under Section 149(6) of the act. In the opinion of the board, each of these directors fulfill the conditions specified in the act and rules framed thereunder for appointment as independent director. The board has recommended the appointment of Mr. Dilip Palicha & Mr. Viren Shah till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017 & appointment of Mr. Vishal Chapper till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019.

In compliance with the provision of Section 149 of the act, the appointment of these directors as independent directors is now being placed before the members for their approval.

The brief profile of Independent Directors is as under:

Mr. Dilip Palicha

Mr. Palicha has vast experience in Management and Administration, Insurance, Expertise in Printing Technology & Animation. He is a Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.

Mr. Viren Shah

Mr. Shah has 21 years of wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration. He is a Post Graduate in Computer and Systems management & holds a Certificate in Oracle/ SQL & RDBMS Concepts.

Mr. Vishal Chapper

Mr. Chapper holds a Degree in B.Com, A.C.A., MBA (NMIMS distance learning), C.I.A (US) and by qualification he is a Chartered Accountant. He is specialized in the field of internal audits, MIS & financial management. He is currently heading Internal audit function of Bureau Veritas (A French Multi National Company). He is audit incharge of Middle East, South Asia, Russia Caspian Sea & Africa region which covers over forty four countries.

The Board recommends the resolution at item No. 4, 5, 6 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 4, 5, 6 of the Notice except Mr. Dilip Palicha, Mr. Viren Shah and Mr. Vishal Chapper.

By Order of the Board
For DYNACONS SYSTEMS & SOLUTIONS LTD

Date : September 03, 2014

Place : Mumbai

Registered Office

78, Ratnaji Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN : **L72200MH1995PLC093130**

Shirish M. Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

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

Particulars	Mr. Shirish Anjaria	Mr. Dilip Palicha	Mr. Viren Shah	Mr. Vishal Chapper
Date of Birth	September 30, 1944	November 5, 1947	April 23, 1966	January 16, 1973
Date of Appointment	September 26, 1955	March 21, 2014	March 20, 2001	August 8, 2012
Experience in functional Area	41 years of experience in Business Management, Corporate Affairs and Customer Relations.	Vast experience in Management and Administration, Insurance, Expertise in Printing Technology & Animation.	21 Years of wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration	Specialize in the field of Internal audits, MIS & financial management. He is currently heading Internal audit function of Bureau Veritas
Qualification	Graduate in Science, Post Graduate in Law, Association of Ferderation of Insurance Institute	Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.	Advance Post Graduate in Computer and Systems management & hold a Certificate in Oracle/ SQL & RDBMS Concepts.	Degree in B.Com, A.C.A., MBA (NMIMS distance learning), C.I.A (US)
Directorship in other Companies(P ublic Limited Companies)	1	1	1	-
Membership of Committees of other public limited companies (Audit Committee and Shareholder's/Investor's Grievance Committee only)	-	2	2	2
No. of Share held in the company	360948	Nil	Nil	49277

By Order of the Board

For DYNACONS SYSTEMS & SOLUTIONS LTD

Shirish M. Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

Date : September 03, 2014

Place : Mumbai

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN : L72200MH1995PLC093130

Directors Report

Your Directors are pleased to present the Nineteenth Annual Report on the business and operations of the Company for the year ended March 31, 2014.

1. Financial Highlights

(₹ In lacs)

Sr No.	Particulars	Year ended 31/03/2014	Year ended 31/03/2013
1.	Total Income	7764.54	5869.96
2.	Total Expenditure (Excl. Depreciation & Interest)	7345.77	5569.20
3.	Interest	157.57	121.99
4.	Depreciation	177.33	104.36
5.	Profit before Tax	83.87	74.41
6.	Provision for Taxation	25.95	22.74
7.	Profit after tax	57.92	51.67

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

During the year, your Company earned total revenues of ₹ 7764.54 lacs compared with ₹ 5869.96 lacs during the previous year, reflecting a growth of 32.28 % over the previous year. The profit before tax stood at ₹ 83.37 lacs as compared to ₹ 74.41 lacs in the previous year. The Company has made a provision of tax totaling to ₹ 25.95 lacs and the profit after tax stood at ₹ 57.92 lacs for the current year. The Operating Profit (earnings before depreciation and interest and tax) grew from ₹ 300.76 lacs to ₹ 358.77 lacs - a growth of 19% over the previous year.

Your Company posted another stellar performance in 2013-14 and continued to maintain its growth momentum. The Company's market strategy is to offer the full range of IT services, have presence in all industry segments through a diverse range of products and service offerings, and continue expanding geography presence. Dynacons product and service portfolio is based on providing end-to-end solutions in the IT Infrastructure space and maintains a competitive edge through a wide spectrum of technology skills. Your Company's services portfolio continued to grow, with an increase in customer base.

Review of Operations

The year gone by has been characterized by an improvement in global economic climate and a rise in technology spends which has brought in optimism to the Indian IT industry. The revitalisation of economy continued during the calendar year 2013 and the economy ended the year on a better footing as compared to the start of the year. The growth momentum is expected to be carried forward during the year 2014 and will result in increased global IT spends.

Rapid technology transformation is leading to a dynamic client engagement, which in turn is fueling business transfiguration, speeding up delivery services, and driving innovation capabilities across practices and operations. The shift in business models from traditional labour based onsite-offshore models to cloud based and off premise solutions is here to stay. This has resulted in rapid evolution, expansion of verticals and geographic markets and offerings which offer a wider spectrum of solutions. The key verticals driving growth would be - BFSI, Education, and the Government sector. Innovation and new business models with global and seamless delivery models would be key drivers to sustain growth.

During the year under review, your Company entered into several new strategic partnerships with Global IT Companies like Oracle, Aruba, Riverbed etc. Your Company also enhanced its capabilities on Data Centre built and undertook some major projects in this area. Your Company has also added to its current service locations, which has helped to reach its customers in the most intrinsic part of India. The continued focus on the BFSI and the Government verticals has yielded spectacular results. Your Company has added several key customers in these segments towards managing their IT Infrastructure and Networking for their offices and branches.

Your company has unique end to end servicing and solution capabilities that differentiate it from the traditional vendors in the market place. Dynacons has a team of specialists with experience in leveraging technology to help improve efficiency. The Company provides dynamic technology solutions and has the capability to address the increased complexity, cost and risk associated with these technology platforms. Your Company's offerings span across areas relevant to each organization.

The Continued focus on Managed Services business has yielded strong results and your Company has bagged several major services orders. Dynacons has bagged the prestigious Managed Services order for Maharashtra Co-op Bank for managing their Data Centre and Disaster Recovery Centre for a period of 3 years.

Your Company has also earned many formal recognitions and awards in the marketplace during the last year. Dynacons has received recognition as the Emerging IT Infrastructure Services Company by CIO Choice. We also received a special award for our Data Center capabilities from Channel World (part of the IDG group).

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. The Company has undertaken several solution deployments such as Reserve Bank of India, State Bank of India, Central Bank, Bank of India, CGGVeritas, Breach Candy Hospital, etc.

During the year under review, the several initiatives were taken for 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. Your company also initiated with IT certifications like Riverbed, CMMI, ISO 20000, ISO 27000 etc. Your Company also took up Branding exercise and underwent identity change and is now with a fresher and a younger look.

The System Integration (SI) segment was the main contributor to the revenue growth during the year. Your company continued to seek long term relationship with clients and focused on customer centric approach that has enhanced their value while addressing their IT requirement. This has also helped the company in focusing on areas aligned with the vision of the company of being a leading System Integration and allied services company. You company has also collaborated with large System Integrators for working together on large projects. During the last year the Company has won projects with Tata Consultancy Services and Atos.

The Company has the domain knowledge and technology expertise to help corporations to focus on their core business, while Dynacons manages their technology and helps transform their business processes. The Company continues to look for new ways to strengthen customer relationships, expand services portfolio by continuously introducing new services, expand I infrastructure by opening up new delivery centers, launching new products and platforms and continuously improving quality processes to raise the delivery promise to customers. The Company believes in strong focus on execution of strategy to deliver long-term growth.

Your Company is striving for overall growth by benefiting our customers, shareholders, employees and partners. We strive to achieve this with a pool of committed and talented individuals, embracing innovation and customer centricity while ensuring business excellence and quality in all our services. Your Company continued to seek long term relationship with the clients and focused on customer centric approach that has enhanced their value while addressing their IT requirement.

The adoption of Social media, Mobile, Analytics and Cloud (SMAC) technologies is expected to drive growth in all the segments. Cloud and client maturity are the major drivers for this, especially in IT. Dynacons is adapting this technology for upgrading its existing solutions as part of its offerings. An array of new technologies - Mobility, Big Data, Social Media, Cloud Computing and Robotics are rapidly changing the world around us. It is shaping how we interact, respond and connect with one another as individuals or as companies and even as governments. The Company is looking forward to new opportunities in service domain because of changes in the landscape of leveraging cloud based services, virtualization, and cloud migration. The on-going investment of your Company, in these recent trends, will enable it to play an impactful role, in this technology revolution.

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

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

Strengths

Our Enterprise Services offerings include a wide spectrum of Enterprise IT and Office Automation Services including Infrastructure Managed Services, Breakfix Services, Managed Print Services, Cloud Computing, Systems Integration Services, and Applications Development and Maintenance. The IT Services Market is expected to grow rapidly. We have a strong focus on tapping the potential of this market and have been developing relevant service offerings and streamlining our sales engine for wider account coverage.

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. We undertake a systematic, aggressive and customer oriented approach to cater to this business segment.

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

The Company's strategy for long-term growth is based on continuing to scale, strengthen core business and grow in new areas of business. We believe that a strong brand is built through a strong USP which sets us apart from the peers in the industry. Our robust quality process and our access to skilled talent base at lower costs of providing services in a unique position to take advantage of the trend towards outsourcing IT services.

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 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

Organisations are transforming the way they operate in response to the economic conditions and fast-changing consumer preferences. As a result, their expectations from their technology spend have increased and their service providers are changing to reflect the business priorities. The Company believes that the current trends in IT spend presents unprecedented opportunity for growth. Liberalization and opening up of more infrastructure sectors like roads, airports and sea ports, national e-Governance initiatives and implementation of Mission mode projects, is going to drive an increase in IT spend.

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

The Company has strong fundamentals, follows robust customer and innovation-focused strategy, emphasis on operational excellence and constantly empowers and motivates its people to pursue higher goals. Your Company is prepared to face the current challenges and is also well placed to benefit from medium and long-term growth of Indian economy.

Risks and Concerns

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

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

3. Dividend

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2014.

4. Directors

Pursuant to Section 149 of the Companies Act, 2013, the Board recommended the appointment of Mr. Dilip Palicha & Mr. Viren Shah for a period of 3 Years and Mr. Vishal Chapper for a period of 5 Years as an Independent Directors of the Company, not liable to retire by rotation from the date of its 19th Annual General Meeting subject to approval of the Members of the Company. Mr. Dilip Palicha (holding Din 02879480), was appointed as an Additional Director designated as an Independent Director w.e.f. March 21, 2014 These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

Mr. Shirish Anjaria, Chairman cum Managing Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval. The terms of appointment made for Mr. Shirish Anjaria as Chairman cum Managing Director dated 30th April, 2012, shall stand altered and be read as "rotational director" instead of "non- rotational director" due to applicability of Companies Act, 2013 since Independent Directors are not liable for retire by rotation.

The Board recommends the resolutions for your approval for the above appointments.

5. Auditors

M/s. Palan & Co., Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company in place of retiring Auditors M/s. P.C.Ghadiali & Co., Chartered Accountants to hold the office of the Auditors till the conclusion of Next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.

M/s. P.C.Ghadiali & Co., Chartered Accountants have expressed their unwillingness to offer themselves for re-appointment in the Company as Statutory Auditors of the Company.

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Palan & Co. can be appointed as Auditors for further period of three years after commencement of the Companies Act, 2013 i.e. upto March 31, 2017. The Auditors have informed the Company that their appointment if made would be within the limits prescribed u/s 141 of the Companies Act, 2013 and the Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

6. Corporate Governance

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate times for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance.

7. Particulars of the Employees

The information as required under the provisions of Section 217 (2A) of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable as none of the employees are in receipt of remuneration which exceeds the limits specified under the said rules.

8. Human Resource Management

Employees are our vital and most valuable assets to an organization. Your company has created a friendly and motivational work environment for employees, which encourages innovation. The Company offers a growth environment along with monetary benefits in line with industry standards. The Company has a number of employee initiatives to attract, retain and develop talent in the organization. Your Company has HR policy that elaborates on each aspect of human resource management including recruitment, employee development & training, staff welfare, administration services & recreation events.

Your Company continues to innovatively manage Human Resources ramp-up in a timely manner to meet the business growth in a continuously challenging environment. The people centric culture in Dynacons with appropriate measures and initiative to recruit, integrate and retain talent was the focus during the current year. Dynacons continues to focus and invest in workforce development to provide an open work culture and rewarding career opportunities to all its employees. The Company has continually adopted structures that help attract best external talent and promote internal key talent to higher roles and responsibilities.

Employee Retention is a key focus area. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, and connect to maintain employee-friendly culture in the organization.

Your Company encourages regular training and development program. Continuous training is imparted in advanced technologies, managerial and soft skills for the employees to enhance their skill-sets in alignment with their respective roles. The major thrust continues in the effort to bring about measurable change in training coverage and effectiveness, increasing the Leadership and Development opportunities for every staff member.

Your Company has always believed on employee enhancement and followed talent appreciation processes. They organized several employee bonding events all round the year. Festivals like Diwali, Navratri were celebrated with pomp and zeal. It celebrated the Woman's day commemorating the multiple role that a woman plays along with its professional role. In all, your company by all means accepts, understands and implements employee first policy. The Directors appreciate the contributions, efforts and initiatives taken by the employees at all levels for the Company's improved performance.

9. CREDIT RATING

Your Directors have pleasure to inform that CARE Ratings has assigned CARE BB+ rating to your Company for long term bank facilities for a total amount of Rs. 13 Crores. CARE has also assigned A4+ rating for the short term bank facilities of the Company up to Rs. 3.50 Crores. CARE had carried out a credit rating assessment of the Company both for short term and long term bank facilities in compliance with BASEL II norms implemented by Reserve Bank of India for all banking facilities. This enables the Company to access banking services at low costs.

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, 2013 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	: ₹ Nil (previous year Nil)
Foreign Exchange Outgo	: ₹ 24.57 Lacs (previous year 22.30 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

Date : May 30, 2014
Place: Mumbai

Shirish Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Dynacons firmly believes and has consistently endeavored to practice good Corporate Governance. The Company's philosophy on corporate governance is aimed at achieving transparency and professionalism in all decisions and activities of the Company and to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, vendors, creditors and employees.

Dynacons believes in achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible by reviewing periodically the existing systems and controls for further improvements.

2. BOARD OF DIRECTORS**Composition and category**

The present strength of Board of Directors is **SIX** Directors comprising of an Executive Chairman cum Managing Director, two Executive Directors and three Non-Executive Directors. All the three Non-Executive Directors are Independent Directors. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

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

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

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

Name of Director	Category of Directorship	Attendance at last AGM	No. of Board Meetings Attended	No. of other Directorship	No. of Membership/ Chairmanship of Other Committee #
Mr. Shirish M. Anjaria	Chairman and Managing Director	Yes	9	1	-
Mr. Parag J. Dalal	Executive Director	Yes	9	1	-
Mr. Dharmesh S. Anjaria	Executive Director	Yes	9	1	-
Mr. Mukesh P. Shah*	Director	No	5	-	2
Mr. Dilip P. Palicha@	Director	No	1	1	2
Mr. Viren C. Shah	Director	Yes	8	1	2
Mr. Vishal G. Chapper	Director	Yes	4	-	2

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

* Mr. Mukesh P. Shah has resigned from the directorship of the Company w.e.f. September 24, 2013.

@ Mr. Dilip Palicha was appointed as an Independent Director of the Company w.e.f. March 21, 2014.

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 Act and the Listing Agreement.

Nine Board Meetings were held during the year 2013-2014. 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 29,2013, May 30,2013 , August 13,2013, August 26,2013, September 17,2013, September 24,2013, November 14,2013, February 14, 2014 and March 21,2014 .

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

3. AUDIT COMMITTEE

The Company complies with the provisions of Section 177 of the Companies Act, 2013, as well as the listing agreement pertaining to the Audit Committee and its functioning. The members of the Audit Committee and their attendance at committee meetings are as under:

Name of The Director	Category	No. of Meetings attended
Mr. Mukesh Shah*	Non-Executive & Independent Director	2
Mr. Viren Shah	Non-Executive & Independent Director	5
Mr. Vishal Chapper	Non-Executive & Independent Director	4
Mr. Dilip Palicha*	Non-Executive & Independent Director	1

*Mr. Mukesh Shah had resigned from the Directorship & membership of the Company w.e.f 24th September, 2013 and Mr. Dilip Palicha was inducted as an Independent Director & Member of Audit committee w.e.f 21st March, 2014.

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

The Audit Committee met five times during the financial year 2013-2014 on the following dates: May 30,2013, August 13,2013, November 14, 2013, February 14, 2014 and March 21, 2014.

The terms of reference of the Audit Committee includes:-

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

4. REMUNERATION COMMITTEE

Brief description of terms of reference

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

The Remuneration Committee consists of Non Executive Directors with the Chairman being an Independent Director. The members of Committee were Mr. Mukesh Shah, Mr. Viren Shah and Mr. Vishal Chapper. Due to resignation of Mr. Mukesh Shah, the Committee was re-constituted and Mr. Dilip Palicha was inducted as a Member of Remuneration committee. The committee is chaired by Mr. Viren Shah. The Remuneration committee met once during the year. Company Secretary of the Company acted as the Secretary to the Committee.

Remuneration Policy

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

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

Details of Remuneration to all the Directors for the year ended March 31, 2014

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

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

Name of the Director	Category	No. of Meetings attended
Mr. Vishal Chapper	Non-Executive & Independent Director	6
Mr. Viren Shah	Non-Executive & Independent Director	6
Mr. Mukesh Shah*	Non-Executive & Independent Director	3
Mr. Dilip Palicha*	Non-Executive & Independent Director	1

*Mr. Mukesh Shah had resigned from the Directorship & membership of the Company w.e.f 24th September, 2013 and Mr. Dilip Palicha was inducted as a Independent Director & Member of Investor Grievance Committee w.e.f 21st March, 2014.

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, non-receipt of annual Report, attending to complaints of investors routed by SEBI/Stock Exchanges and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. Details of share transfer / transmission approved by the

committee are placed at the Board meetings from time to time. Company Secretary of the Company acted as the Secretary to the Shareholders / Investor Grievance Committee.

During the year under review, 2 complaints were received from shareholders/investors which were replied/resolved to the satisfaction of the investors. Of the above, the complaints outstanding as on March 31, 2014 were Nil. The numbers of pending share transfers as on March 31, 2014 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 :-

- **18th AGM** : September 30, 2013 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.
Number of Special Resolutions passed: 3
Details of Special Resolution are as follows:
1) Appointment of Shirish Anjaria as a Chairman cum Managing Director.
2) Appointment of Parag Dalal as a Whole Time Director.
3) Appointment of Dharmesh Anjaria as a Whole Time Director.
- **17th AGM** : September 28, 2012 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.
Number of Special Resolutions passed : 0
- **16th AGM** : September 29, 2011 at 3.00 P.M. at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058.
Number of Special Resolutions passed : 1
Details of Special Resolution are as follows:
1) Issue of Share and Warrants on Rights Basis
- **Court Convened Meeting of Members** of the Company was held on July 28, 2010 at 12.00 noon at Karl Residency, 36, Lallubhai Park Road, Andheri (W), Mumbai -400058 for the approval of the Scheme of Arrangement.

8. CODE OF CONDUCT

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

9. DISCLOSURES

- a) Materially significant related party transactions i.e. transactions of the company of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large : **None**
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years: **NIL**
- c) A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit, the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- d) The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically as per guidelines of SEBI / Stock Exchange.
- e) The Company has established a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.
- f) During the financial year 2013-2014, 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
- Venue

September 30 , 2014 at 3:00 P.M.
Hotel Karl Residency,
36, Lallubhai Park Road, Andheri
(West), Mumbai 400058.

**11.2 Financial Calendar: -
(Tentative)**

Financial Reporting for quarter ending: -

- June 30
- September 30
- December 31
- March 31
- Annual Results

April'14 – March'15

Second week of August
Second week of November
Second week of February
Second week of May
End of May

11.3 Book Closure Date

September 24, 2014 to September
30, 2014. (Both days inclusive)

11.4 Dividend Payment Date

N.A.

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

The Bombay Stock Exchange Ltd., Mumbai
The National Stock Exchange of India Ltd.
(b) Listing of Global Depository Receipts
(c) Demat ISIN numbers in NSDL & CDSL
(d) Annual listing fees for the year 2014-2015 have been duly paid to all the above Stock Exchanges.

Code Nos.

532365
DSSL
N. A.
INE417B01040

11.6 Stock Market Data

Month	Bombay Stock Exchange (BSE) (in ₹)		National Stock Exchange (NSE) (in ₹)	
	Month's high price	Month's low price	Month's high price	Month's low price
April 2013	4.77	3.10	4.30	2.30
May 2013	3.46	3.00	3.05	2.40
June 2013	3.12	2.85	3.20	2.80
July 2013	3.42	3.09	3.15	2.65
Aug. 2013	3.27	2.35	3.20	2.85
Sep. 2013	3.08	2.53	3.15	3.00
Oct. 2013	3.23	2.65	3.30	3.15
Nov. 2013	2.95	2.40	3.00	3.00
Dec. 2013	2.85	2.21	3.00	3.00
Jan. 2014	3.48	2.78	3.00	2.75
Feb. 2014	3.31	2.58	2.95	2.65
Mar. 2014	3.15	2.41	2.80	2.15

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, 2014

No of Equity Shares	No of Folios	% of Total	Total Holding in ₹	% of Total
1-5000	14007	91.98	15141530	25.56
5001-10000	699	4.59	5219640	8.81
10001-20000	272	1.79	4047630	6.83
20001-30000	74	0.49	1827010	3.09
30001-40000	66	0.43	2387600	4.03
40001-50000	22	0.14	981750	1.66
50001-100000	40	0.26	2896580	4.89
100001 & above	48	0.32	26729060	45.13
Total	15228	100	59230800	100

11.10 Shareholding of Directors

Sr.No.	Name of Directors	No. of Shares	Percentage (%)
1	Mr. Shirish Anjaria	360948	6.09
2	Mr. Dharmesh Anjaria	356220	6.01
3	Mr. Parag Dalal	347200	5.86
4	Mr. Dilip Palicha	Nil	Nil
5	Mr. Viren Shah	Nil	Nil
6	Mr. Vishal Chapper	49277	0.83

11.11 Dematerialization of Shares as on March 31, 2014

Total No. of shares	Shares in physical form	Percentage %	Shares in demat form	Percentage %
59,23,080	43400	0.73	58,79,680	99.26

11.12 Shareholding Pattern as on March 31, 2014

Category	No of Shares held	Percentage of Shareholding
Indian Promoters	1782444	30.09%
Private Corporate Bodies	330828	5.59%
Indian Public	3746218	63.25%
NRIs/OCBs	62110	1.05%
Trust	Nil	-
Clearing Member / Transit	1480	0.02%
Total	5923080	100.00%

11.13 Outstanding GDRs / ADRs

: N.A.

11.14 Compliance Officer

: Mr. Ravishankar Singh

11.15 Address for Investor Correspondence

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

Dynacons System & Solution Ltd.

CIN: L72200MH1995PLC093130
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, 2014.

Place : Mumbai
Date : May 30, 2014

Shirish Anjaria
 Chairman cum Managing Director

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, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information & according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

C. K. PALAN
 Partner
 Membership No: 100741

Place : Mumbai
Date : May 30, 2014

May 30, 2014

The Board of Directors
Dynacons Systems & Solutions Ltd
Mumbai

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

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) During the year:
- i) There has not been any significant change in internal control over financial reporting;
 - ii) There has not been any significant change in accounting policies; and
 - iii) There have been no instances of fraud of which we have become aware.

For **Dynacons Systems & Solutions Ltd**

Shirish Anjaria
Chairman cum Managing Director

Dharmesh S. Anjaria
Chief Financial Officer & Executive Director

INDEPENDENT AUDITOR'S REPORT**TO THE BOARD OF DIRECTORS OF DYNACONS SYSTEMS & SOLUTIONS LIMITED****Report on The Financial Statements**

We have audited the accompanying financial statements of **DYNACONS SYSTEMS & SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India::

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account..

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. and
- e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

C. K. PALAN
Partner
Membership No: 100741

Place : Mumbai
Dated : May 30, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

DYNACONS SYSTEMS & SOLUTIONS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014
(Referred to in paragraph (1) of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. (a) As explained to us, the stocks of equipment and components / spares for maintenance and resale have been verified by the management during the year at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.
3. According to the information and explanations given to us , the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of sub-clauses (a), (b), (c), and (d) of clause 4(iii) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.
5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.

- (b) On the basis of our examination of the books of account, the Company has not entered into any transactions exceeding ₹ 5 Lacs in respect of any party during the financial year that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules framed there under are not applicable.
 7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
 8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
 9. According to the information and explanations given to us and records of the Company examined by us in our opinion :
 - a. The Company is generally regular in depositing the undisputed statutory dues including provident fund, income tax, sales tax as applicable with the appropriate authorities during the year.
 - b. There are no undisputed dues payable in respect of income tax, wealth tax, sales tax and customs duty and cess which have remained outstanding as at 31 March 2014 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
Date : May 30, 2014

Balance Sheet as at 31 March, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
A. Equity & Liabilities			
1 Shareholders' funds			
(a) Share Capital	1	592.31	592.31
(b) Reserves and Surplus	2	1030.13	972.21
		<u>1622.43</u>	<u>1564.51</u>
2 Non-current liabilities			
(a) Long-Term Borrowings	3	17.68	42.63
(b) Deferred Tax Liabilities (Net)	4	98.53	99.18
(c) Other Long Term Liabilities	5	39.92	36.45
(d) Long-Term Provisions	6	14.85	10.45
Total non-current liabilities		<u>170.98</u>	<u>188.70</u>
3 Current liabilities			
(a) Short-Term Borrowings	7	1343.53	878.05
(b) Trade Payables	8	97.71	219.30
(c) Other Current Liabilities	9	212.95	145.53
Total current liabilities		<u>1654.19</u>	<u>1242.88</u>
TOTAL		<u><u>3447.61</u></u>	<u><u>2996.10</u></u>
B. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	10	465.75	434.90
(ii) Intangible Assets Under Development	10	16.89	25.34
Total fixed assets		<u>482.64</u>	<u>460.24</u>
(b) Non-Current Investments	11	151.11	151.11
(c) Long-Term Loans And Advances	12	346.29	400.38
(d) Other Non-Current Assets	13	24.81	24.81
Total non-current assets		<u>522.22</u>	<u>576.31</u>
2 Current assets			
(a) Inventories	14	545.42	532.48
(b) Trade receivables	15	1478.91	1237.30
(c) Cash and cash equivalents	16	408.01	180.47
(d) Short-term loans and advances	17	10.41	9.31
Total current assets		<u>2442.75</u>	<u>1959.56</u>
TOTAL		<u><u>3447.61</u></u>	<u><u>2996.10</u></u>

Notes on Financial Statements

1-25

As per our report of even date attached

For and on behalf of the Board of Directors

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

Shirish Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

C. K. Palan
Partner
Membership No: 100741
Place : Mumbai
Date : May 30, 2014

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2014

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
1 INCOME			
(a) Revenue from Operations	18	7731.84	5852.63
(b) Other Income	19	32.70	17.33
2 Total Revenue		<u>7,764.54</u>	<u>5,869.96</u>
3 EXPENSES			
(a) Purchases of Traded	20	6,841.16	5,094.42
(b) Changes Inventories of Stock-In-Trade	21	(12.95)	57.25
(c) Employee Benefits Expense	22	376.62	286.52
(d) Finance Costs	23	157.57	121.99
(e) Depreciation And Amortisation Expense		177.33	104.36
(f) Other Expenses	24	200.94	131.02
4 Total Expenses		<u>7,680.67</u>	<u>5,795.55</u>
5 Profit Before Tax		83.87	74.41
6 Tax Expense:			
(a) Current Tax Expense		26.60	15.31
(b) Deferred Tax		(0.65)	7.42
		<u>25.95</u>	<u>22.73</u>
7 Profit for the year		<u>57.92</u>	<u>51.67</u>
8 Earnings per Equity Shares of face value of ₹ 10 each):		0.98	0.87
Basic And Diluted (In ₹)			

Notes on Financial Statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

Shirish Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

C. K. Palan
Partner
Membership No: 100741

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

Place : Mumbai
Date : May 30, 2014

Cash Flow Statement for the Year Ended March 31, 2014

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary item	83.87	74.41
Add: Depreciation	117.33	104.36
(Profit)/Loss on sale of Fixed Assets	6.12	4.02
Finance Costs	157.57	121.99
Dividend received	0.00	(0.05)
	<u>281.02</u>	<u>230.32</u>
Operating profit before working Capital	364.89	304.73
Changes in current assets and Liabilities		
Adjustments for (increase) / decrease in operating assets:		
(Increase)/Decrease in Inventories	(12.95)	57.25
(Increase)/Decrease in Trade & Other Receivable:	(131.51)	(824.73)
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(Decrease) in current Liabilities & Provision	392.58	162.51
	<u>248.12</u>	<u>(604.97)</u>
Cash Generated from Operations	613.01	(300.24)
Taxes Paid	(57.12)	(30.93)
Net Cash Flow from operating activities	<u>555.90</u>	<u>(331.17)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(201.75)	(116.05)
Sale of Fixed Assets	55.91	620.85
Capital Work-in-Progress and Advances	-	0.00
Net Cash Used for Investing Activities	<u>(145.84)</u>	<u>504.85</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) In Secured/UnSecured Loans	(24.95)	(26.85)
Interest Paid	(157.57)	(121.99)
Net cash From Financing Activities	<u>(182.52)</u>	<u>(148.85)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	227.53	24.83
Cash and Cash Equivalents (Opening Balance)	180.47	155.64
Cash and Cash Equivalents (Closing Balance)	408.01	180.47
	<u>227.53</u>	<u>24.83</u>

Notes

- Components of cash and cash equivalents include bank balances in current account as disclosed under Note 16 of the accounts.
- Cash flow statements has been prepared under the "Indirect Method" as set out in According Standard issued (AS -3) " Cash Flow Statements " by The Institute of Chartered Accountants of India.
- Previous years figure have been regrouped, rearrange and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

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

Shirish Anjaria
Chairman cum Managing Director

For and on behalf of the Board of Directors

Parag Dalal
Executive Director

Date : May 30, 2014
Place : Mumbai

Dharmesh Anjaria
Executive Director

Ravishankar Singh
Company Secretary

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

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

SIGNIFICANT ACCOUNTING POLICIES :**1. Basis of accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Sec 211(3C) of the Companies Act, 1956(" the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act ,2013 ("the Companies Act") in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956/2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of Estimates

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

3. Revenue Recognition

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

4. Expenditure Recognition

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

5. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

6. Cash and Cash equivalents(for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

7. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the note 25.1. Contingent assets are not recognised in the financial statements.

18. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

19. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

20. 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.

21. 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.

22. 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.

Particulars		As at 31 March, 2014	As at 31 March, 2013												
1	SHARE CAPITAL														
(a)	Authorised Share Capital 30,000,000 Equity shares of ₹ 10 each (Previous Year 30,000,000 Equity shares of ₹ 10 each)	3,000.00	3,000.00												
(b)	Issued, Subscribed and Paid up : 59,23,080 Equity shares of ₹ 10 each (59,23,080 Equity shares of ₹ 10 each.)	592.31	592.31												
1.1	Pursuant to the Scheme of Arrangement the Equity Share Capital of the Company has been reorganised in the year 2010-11														
1.2	The reconciliation of the number of shares outstanding is set out below :														
	<table><tr><th>Particulars</th><th>As at 31 March, 2014</th><th>As at 31 March, 2013</th></tr><tr><td></td><td>No. of Shares</td><td>No. of Shares</td></tr><tr><td>Equity Shares at the beginning of the year</td><td>59,230,800</td><td>5,923,080</td></tr><tr><td>Equity Shares at the end of the year</td><td>59,230,800</td><td>5,923,080</td></tr></table>	Particulars	As at 31 March, 2014	As at 31 March, 2013		No. of Shares	No. of Shares	Equity Shares at the beginning of the year	59,230,800	5,923,080	Equity Shares at the end of the year	59,230,800	5,923,080		
Particulars	As at 31 March, 2014	As at 31 March, 2013													
	No. of Shares	No. of Shares													
Equity Shares at the beginning of the year	59,230,800	5,923,080													
Equity Shares at the end of the year	59,230,800	5,923,080													
1.3	The details of Shareholders holding more than 5% shares :														
	<table><tr><th>Name of the Shareholder</th><th>As at 31 March, 2014</th><th>As at 31 March, 2013</th></tr><tr><td>Shirish Mansingh Anjaria No. of Shares % held</td><td>3,60,948 6.09</td><td>3,60,948 6.09</td></tr><tr><td>Dharmesh Shirish Anjaria No. of Shares % held</td><td>3,56,220 6.01</td><td>3,56,220 6.01</td></tr><tr><td>Parag Jitendra Dalal No. of Shares % held</td><td>3,47,200 5.86</td><td>3,47,200 5.86</td></tr></table>	Name of the Shareholder	As at 31 March, 2014	As at 31 March, 2013	Shirish Mansingh Anjaria No. of Shares % held	3,60,948 6.09	3,60,948 6.09	Dharmesh Shirish Anjaria No. of Shares % held	3,56,220 6.01	3,56,220 6.01	Parag Jitendra Dalal No. of Shares % held	3,47,200 5.86	3,47,200 5.86		
Name of the Shareholder	As at 31 March, 2014	As at 31 March, 2013													
Shirish Mansingh Anjaria No. of Shares % held	3,60,948 6.09	3,60,948 6.09													
Dharmesh Shirish Anjaria No. of Shares % held	3,56,220 6.01	3,56,220 6.01													
Parag Jitendra Dalal No. of Shares % held	3,47,200 5.86	3,47,200 5.86													
1.4	As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the both legal and beneficial ownership of shares.														
1.5	The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.														
1.6	No bonus shares have been issued to equity share holders in last five years														
1.7	No equity share shares been bought back in last five years.														
2	RESERVES & SURPLUS														
(a)	General reserve														
	As per last Balance Sheet	190.46	190.46												
(b)	Surplus in Statement of Profit and Loss														
	As per last Balance Sheet	781.75	730.07												
	Add: Profit for the year	57.92	51.67												
	Closing Balance	839.67	781.75												
	Total	1,030.13	972.21												

(₹ in Lakhs)

	Particulars	As at 31 March, 2014	As at 31 March, 2013																																							
3	LONG TERM BORROWINGS																																									
	Term loans																																									
	From banks																																									
	Secured	17.68	39.36																																							
	From Others																																									
	Secured	-	3.26																																							
	Total	17.68	42.63																																							
3.1	Term loans from banks are Secured by way of first mortgage / charge on the Plant & Machinery of the Company																																									
3.2	Term loans from Other Parties are Secured by way of first mortgage / charge on the Vehicles of the Company																																									
3.3	Maturity Profile of Secured Term Loans are as set out below :																																									
	<table><tr><th>Particulars</th><th>2016-17 ₹</th><th>2017-18 ₹</th></tr><tr><td>Term loans from banks</td><td>17.07</td><td>0.61</td></tr></table>	Particulars	2016-17 ₹	2017-18 ₹	Term loans from banks	17.07	0.61																																			
Particulars	2016-17 ₹	2017-18 ₹																																								
Term loans from banks	17.07	0.61																																								
3.5	Other Details																																									
	<table><tr><th>Particulars</th><th>Security Coverd</th><th>Date of Maturity</th><th>Number Of Installments Due</th><th>Applicable Rate Of Interest</th></tr><tr><td>A</td><td>Motor Car Loan</td><td></td><td></td><td></td></tr><tr><td>1</td><td>HDFC Bank</td><td></td><td></td><td></td></tr><tr><td></td><td>Altis Car</td><td>Motor Car</td><td>Jul-15</td><td>3</td><td>11.14%</td></tr><tr><td></td><td>Tata Ace</td><td>Motor Car</td><td>Aug-16</td><td>17</td><td>14.50%</td></tr><tr><td>B</td><td>Term Loan</td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td>Dena Bank</td><td>Plant & Machinery</td><td>Dec-15</td><td>9</td><td>13.70%</td></tr></table>	Particulars	Security Coverd	Date of Maturity	Number Of Installments Due	Applicable Rate Of Interest	A	Motor Car Loan				1	HDFC Bank					Altis Car	Motor Car	Jul-15	3	11.14%		Tata Ace	Motor Car	Aug-16	17	14.50%	B	Term Loan					2	Dena Bank	Plant & Machinery	Dec-15	9	13.70%		
Particulars	Security Coverd	Date of Maturity	Number Of Installments Due	Applicable Rate Of Interest																																						
A	Motor Car Loan																																									
1	HDFC Bank																																									
	Altis Car	Motor Car	Jul-15	3	11.14%																																					
	Tata Ace	Motor Car	Aug-16	17	14.50%																																					
B	Term Loan																																									
2	Dena Bank	Plant & Machinery	Dec-15	9	13.70%																																					
4	DEFERRED TAX LIABILITY NET																																									
	Deferred Tax Liability																																									
	Related to fixed assets	100.75	101.10																																							
	Deferred Tax Assets																																									
	Disallowances under the Income Tax Act, 1961	2.22	1.92																																							
	Total	98.53	99.18																																							
5	OTHER LONG TERM LIABILITIES																																									
	Statutory Liabilities	26.35	26.35																																							
	Dues to Staff	13.57	10.10																																							
	Total	39.92	36.45																																							
6	LONG TERM PROVISIONS																																									
	Provision for employee benefits:																																									
	Provision for other defined benefit plans (Refer Note 22.1)	14.85	10.45																																							
	Total	14.85	10.45																																							

7 Short Term Borrowings

Secured

Working Capital Loans :

From Banks

1,343.53

878.05

Total

1,343.53

878.05

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

8 TRADE PAYABLES

Micro, Small and Medium Enterprises

-

-

Others

97.71

219.30

Total

97.71

219.30

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

9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt

27.84

26.85

Statutory dues

150.64

91.36

Others

34.47

27.32

Total

212.95

145.53

9.1 Others

Dues to Staff

34.47

27.32

Total

34.47

27.32

10 FIXED ASSETS

Notes forming part of the financial statements for the period ended 31 Mar, 2014

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01-04-2013	Addition during the year	Deduction during the year	As at 31-03-2014	As at 01-04-2013	Addition during the year	Deduction during the year	As at 31-03-2014	WDV as on 31-03-2014	WDV as on 31-03-2013
I	Tangible Assets										
1	Furnitures & Fixtures	8.88	-	3.68	5.19	7.72	0.38	3.68	4.42	0.77	1.15
2	Vehicles (Cars)	43.08	3.93	-	47.00	13.13	4.28	-	17.41	29.60	29.95
3	Office Equipment	6.41	0.25	-	6.66	2.78	0.31	-	3.09	3.57	3.63
4	Computer	560.75	197.57	158.83	599.49	160.58	103.91	96.80	167.68	431.81	400.17
	SUB TOTAL (A)	619.11	201.75	162.51	658.35	184.21	108.87	100.49	192.60	465.75	434.90
II	Intangible Assets Under Development										
	Software Dev. Exp	84.55	-	-	84.55	59.21	8.46	-	67.66	16.89	25.34
	SUB TOTAL (B)	84.55	-	-	84.55	59.21	8.46	-	67.66	16.89	25.34
	Total [A + B] (Current Year)	703.66	201.75	162.51	742.90	243.42	117.33	100.49	260.26	482.64	460.24
	(Previous Year)	1,284.84	116.05	697.23	703.66	211.42	104.36	72.36	243.42	460.24	1,073.42

11 NON-CURRENT INVESTMENTS

Trade Investments

In Equity Shares - Unquoted, fully paid up

Kapol Co-op Bank Ltd

0.51

0.51

5,000 Equity Shares of ₹ 10 each

Aggregate value of Unquoted Investments

0.51

0.51

In Equity Shares - Quoted, fully paid up		
Dena Bank	0.60	0.60
(2,000 (Previous year 2,000) Equity Shares of ₹ 10 each fully paid up)		
Dynacons Technologies Limited	150.00	150.00
(15,000,000 (Previous year 15,000,000) Equity Shares of ₹ 1 each, fully paid up)		
	150.60	150.60
Aggregate value of Quoted Investments		
(Market Value of Quoted investments ₹ 76,24,200 (Previous year ₹ 11,128,800)		
Total	151.11	151.11
Aggregate amount of quoted investments	150.60	150.60
Aggregate amount of unquoted investments	0.51	0.51
	151.11	151.11
12 Long Term Loans And Advances		
(Unsecured and considered good)		
Security deposits	89.33	43.12
Advance income tax (Net of provisions)	54.70	18.00
Other loans and advances	202.26	339.26
Total	346.29	400.38
13 OTHER NON-CURRENT ASSETS		
Duties & Taxes	24.81	24.81
Total	24.81	24.81
14 INVENTORIES		
Stock-in-trade	545.42	532.48
Total	545.42	532.48
14.1	Inventories are valued at lower of cost or net realisable value whichever is low	
15 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	96.72	36.14
Other Trade receivables	1,382.19	1,201.16
Total	1,478.91	1,237.30
16 CASH AND CASH EQUIVALENTS		
Cash on hand	7.03	8.38
Balances with banks		
In current accounts :	4.43	1.94
Other Bank Balances :		
In deposit accounts	343.97	138.53
In earmarked accounts		
- Balances held as margin money against guarantees	52.57	31.62
Total	408.01	180.47

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

		Maturity Profile	
		less than 3 months	3-12 months
	Bank Deposits	261.91	134.63
16.2	Balances with Bank in Deposits Accounts are held as as margin money or security against the borrowings, guarantees, other commitments		
17	SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
	Loans and advances to employees	4.41	3.31
	Others		
	- Advances for services	6.00	6.00
	Total	<u>10.41</u>	<u>9.31</u>
18	REVENUE FROM OPERATIONS		
	Revenue from Information Technology Products	7,731.84	5,852.63
	Total	<u>7,731.84</u>	<u>5,852.63</u>
18.1	The Company is engaged in systems Integration which includes the sales of products and services as a complete solution		
19	Other Income		
	Interest income	31.92	14.87
	Dividend income:		
	From Long Term Investments	-	0.05
	Miscellaneous income	0.78	2.41
	Total	<u>32.70</u>	<u>17.33</u>
19.1	Interest income comprises:		
	Interest from banks on:		
	deposits	31.92	14.60
	Interest on income tax refund	-	0.28
	Total - Interest income	<u>31.92</u>	<u>14.87</u>
20	PURCHASE OF TRADED GOODS		
	Purchases of Information Technology Products	6,841.16	5,094.42
	Total	<u>6,841.16</u>	<u>5,094.42</u>
21	CHANGES IN INVENTORIES OF STOCK - IN - TRADE		
	Inventories at the end of the year:		
	Stock in trade	545.42	532.48
		<u>545.42</u>	<u>532.48</u>

Inventories at the beginning of the year:
Stock in trade

532.48 589.73

532.48 589.73

Total

(12.95) 57.25

22 EMPLOYEE BENEFITS EXPENSE

Salaries and wages

373.90 284.17

Contributions to provident and other funds

2.73 2.35

Total

376.62 286.52

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

	Particulars	2014 Amount (₹)	2013 Amount (₹)
I.	Assumptions :		
	Discount Rate	9.31%	8.50%
	Salary escalation rate	4.00%	4.00%
II.	Table Showing Change in Benefit Obligation :		
	Liability at the beginning of the year	6.42	4.55
	Interest Cost	NIL	NIL
	Current Service Cost	1.02	1.87
	Past Service Cost (Non Vested Benefit)	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL
	Benefit Paid	NIL	NIL
	Balance	7.43	6.42
	Actuarial (gain)/loss on obligations	NIL	NIL
	Liability at the end of the year	7.43	6.42
III	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	7.43	6.42
	Fair Value of Plan Assets at the end of the year	NIL	NIL
	Difference	7.43	6.42
	Unrecognized Past Service Cost	NIL	NIL
	Amount Recognized in the Balance Sheet	7.43	6.42
IV.	Expenses Recognized in the Income Statement :		
	Current Service Cost	1.02	1.87
	Interest Cost	NIL	NIL
	Expected Return on Plan Assets	NIL	NIL
	Net Actuarial Gain/(Loss) To Be Recognized	NIL	NIL
	Past Service Cost (Non Vested Benefit) Recognized	NIL	NIL
	Past Service Cost (Vested Benefit) Recognized	NIL	NIL
	Expense Recognized in P & L	1.02	1.87

23 FINANCE COST

Interest expense	157.57	121.99
------------------	--------	--------

Total	157.57	121.99
--------------	---------------	---------------

23.1 Interest expense on:

(i) Borrowings	157.30	121.99
----------------	--------	--------

(ii) Others	0.28	-
-------------	------	---

Total	157.57	121.99
--------------	---------------	---------------

24 Other Expenses

Electricity Expenses	5.23	5.11
----------------------	------	------

Rent	14.23	12.74
------	-------	-------

Communication Expenses	9.84	6.60
------------------------	------	------

Auditors Remuneration	3.30	3.40
-----------------------	------	------

Staff Welfare Expenses	4.80	6.68
------------------------	------	------

Bank Charges	14.18	3.55
--------------	-------	------

Conveyance And Travelling Expenses	24.33	22.83
------------------------------------	-------	-------

Insurance Charges	2.13	1.14
-------------------	------	------

Legal & Professional Charges	18.94	25.00
------------------------------	-------	-------

Loss on Sale of Fixed Assets	6.12	4.02
------------------------------	------	------

Membership & Subscription	1.75	0.92
---------------------------	------	------

Miscellaneous Expenses	18.38	7.24
------------------------	-------	------

Motor Car Expenses	7.22	3.83
--------------------	------	------

Printing & Stationary Expenses	3.64	3.01
--------------------------------	------	------

Rates & Taxes	9.54	0.80
---------------	------	------

Repairs & Maintenance -Building	0.82	0.71
---------------------------------	------	------

Repairs & Maintenance - Others	3.55	3.46
--------------------------------	------	------

Sales Promotion Expenses	9.29	4.30
--------------------------	------	------

Transportation Charges	33.66	15.66
------------------------	-------	-------

Total	200.94	131.02
--------------	---------------	---------------

24.1 PAYMENT TO AUDITORS AS

(a) Auditor		
-------------	--	--

Statutory Audit Fees	2.90	2.90
----------------------	------	------

VAT Audit Fees	0.20	0.20
----------------	------	------

(b) Certification and Consultation Fees	0.20	0.30
---	------	------

Total	3.30	3.40
--------------	-------------	-------------

Additional Information to the financial statements**25.1 Contingent Liabilities**

- a) Claims against the Company not acknowledged as debts: Nil
 b) Guarantees given by the company's bankers ₹ 473.83/- (previous year ₹ 258.48)

25.2 Expenditure in Foreign Currency

Particulars	2014	2013
Travelling Expenses	₹ 0.95	₹ 1.97

25.3 Segment Information

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

25.4 Related Party Disclosures

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

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

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

Party	Nature of Payment	2014 (₹ /lakhs)	2013 (₹ /lakhs)
M/s S.P. Corporation	Rent for Premises	0.60	0.60
M/s S.P. Corporation	Reimbursement of Expenses	1.13	0.71
Mr. Shirish M. Anjaria	Remuneration	4.80	4.80
Mr. Parag J. Dalal	Remuneration	9.60	9.60
Mr. Dharmesh S. Anjaria	Remuneration	9.60	9.60
Dynacons Technologies Limited	Amount receivable / (payable) as at year end	NIL	(5.12)

25.5 Earnings per Share (Basic and Diluted)

Particulars	Units	Year Ended March 31, 2014	Year Ended March 31, 2013
Profit after Tax	(₹ /lakhs)	57.92	51.67
Weighted Number of Equity Shares	Nos.Lakhs	59.23	59.23
Earnings Per Share (of paid up Value of ₹ 10 each)	₹	0.98	0.87

25.6 Lease Commitments

Operating Lease

The company has taken office premises on lease under cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 14.23 (Previous year ₹ 12.74).

25.7 Foreign Exchange Exposure:

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

As of the Balance Sheet date, the Company has net foreign currency exposure that are not hedged by a derivative instrument or otherwise, amounting to ₹ 24.57 (Previous year ₹ 22.30).

25.8 Other Notes

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

AS PER OUR REPORT OF EVEN DATE

As per our report of even date

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

C. K. Palan

Partner
Membership No: 100741

For and on behalf of the Board of Directors

Shirish Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

Place : Mumbai

Mumbai : May 30, 2014

Dharmesh Anjaria

Executive Director

Ravishankar Singh

Company Secretary

Book-Post

If undelivered, please return to:



DYNACONS
SOLUTIONS THAT EMPOWER

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

ATTENDANCE SLIP

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN: L72200MH1995PLC093130

REGISTERED OFFICE: 78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (W), MUMBAI - 400056

D.P.Id	
Client Id/ Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE REGISTERED
SHAREHOLDER

I Certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Hotel Karla Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400058 on Tuesday, September 30, 2014 at 3.00 p.m.

Signature

Note: Please complete this and have it over at the entrance of the hall.

PROXY FORM

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN: L72200MH1995PLC093130

REGISTERED OFFICE: 78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (W), MUMBAI - 400056

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	

I/We, being the member(s) of _____ shares of Dynacons Systems & Solutions Ltd, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
2) _____ of _____ having e-mail id _____ or failing him
3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company, to be held at Hotel Karla Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai –400058 on Tuesday, September 30, 2014 at 3. 00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below

Item No.	Resolutions	For	Against
1	Adoption of Balance Sheet as at March 31, 2014, the Profit and Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon		
2	To appoint Mr. Shirish Anjaria Chairman cum Managing Director, retires by rotation and being eligible, has offered himself for re-appointment		
3	To Appoint M/s Palan & Co., Chartered Accountants, as Statutory Auditors of the Company		
4	To Appoint Mr. Vishal Chapper as Independent, Non Executive Director of the Company		
5	To Appoint Mr. Viren Shah as Independent, Non Executive Director of the Company		
6	To Appoint Mr. Dilip Palicha as Independent, Non Executive Director of the Company		

Affix a
1 Rupee
Revenue
Stamp

Signed this day of 2014

Signature of shareholder:

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

******(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated

BALLOT FORM

DYNACONS SYSTEMS & SOLUTIONS LIMITED

CIN: L72200MH1995PLC093130

REGISTERED OFFICE: 78, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (W), MUMBAI - 400056

1. Name of the First Named Shareholder (In block letters):
2. Postal address:
3. Registered folio No./ *Client ID No. (*Applicable to investors holding shares in dematerialized form)
4. Class of Share:
5. I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner

Item No.	Resolutions	For	Against
1	Adoption of Balance Sheet as at March 31, 2014, the Profit and Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon		
2	To appoint Mr. Shirish Anjaria Chairman cum Managing Director, retires by rotation and being eligible, has offered himself for re-appointment		
3	To Appoint M/s Palan & Co., Chartered Accountants, as Statutory Auditors of the Company		
4	To Appoint Mr. Vishal Chapper as Independent, Non Executive Director of the Company		
5	To Appoint Mr. Viren Shah as Independent, Non Executive Director of the Company		
6	To Appoint Mr. Dilip Palicha as Independent, Non Executive Director of the Company		

Place:

Date:

(Signature of the shareholder)

Note: Please read the instruction carefully before exercising your vote

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member casts vote by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the notice of the AGM.
4. The scrutiniser will collate the votes downloaded from the e-voting system and votes cast through ballot to declare the final result for each of the resolutions forming a part of the notice of the AGM

Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the scrutiniser Ms. Shruti H. Shah, Practising Company Secretary, (Membership No. 22923) at the Registered Office of the Company on or before the date of the AGM. Alternatively, the Ballot can also be deposited in the box to be made available at the venue during the AGM.
2. The Ballot Form should be signed by the member as per the specimen signature registered with the Company / Depositories. In case of Joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. A Power Of Attorney (POA) holder may vote on behalf of a member, mentioning the registration no. of POA registered with the Company or enclosing an attested copy of POA
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 29th August, 2014 and as per the register of members of the Company.
6. A member may request for a duplicate Ballot Form, if so required.
7. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the scrutiniser to identify either the member or as to whether votes are in favour or against or if signature cannot be verified.
8. The decision of the scrutiniser on the validity of the Ballot Form and any other related matter shall be final.
9. The results declared along with the Scrutiniser's report, shall be placed on the Company's website www.dynacons.com within two working days of the passing of the resolutions at the AGM of the Company on September 30, 2014, and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of Dynacons Systems & Solutions Limited will be held on Tuesday, 30th Day, September, 2014 at 3.00 P.M, at Karl Residency , 36, Lallubhai Park Road, Andheri (West), Mumbai 400058, to transact the following of :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 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. Shirish Anjaria (Din: 00444104), who retires from the office of Managing Director by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. Palan & Co., Chartered accountants, as Statutory Auditors of the Company.

To consider and, if thought fit, to pass the following Resolution with or without modification(s), if any, as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, Palan & Co., Chartered accountants (Firm's Registration No.133811W), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. P.C. Ghadiali & Co., Chartered accountant to hold office from the conclusion of this Annual General Meeting(AGM) till the conclusion of the 22nd AGM of the Company to be held in the year 2017(Subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket, traveling expenses, etc., as may be mutually agreed between the Board of Directors of the Company & the Auditors."

SPECIAL BUSINESS:**4. Appointment of Mr. Dilip Palicha as an Independent Director:**

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

"RESOLVED THAT Mr. Dilip Palicha (holding Din 02879480), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 21st March, 2014, in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Article 125 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

5. Appointment of Mr. Viren Shah as an independent Director

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the rules framed thereunder, Mr. Viren Champaklal Shah (Din 02886221), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017."

6. Appointment of Mr. Vishal Chapper as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the rules framed thereunder, Mr. Vishal Chapper (Din 05341830), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 24th Annual General Meeting of the company to be held in the year 2019."

By Order of the Board of Director

For DYNACONS SYSTEMS & SOLUTIONS LTD

Date : September 03,2014

Place : Mumbai

Shirish M. Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN : **L72200MH1995PLC093130**

NOTES:

1. The Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013(the act) in respect of the Item No.3 to Item No.6 is annexed hereto.
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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

A person can act as proxy on behalf of members not exceeding (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
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. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 24th day of September, 2014 to Tuesday, the 30th day of September, 2014. (both days inclusive).
6. The Members holding the shares in physical form may obtain the nomination form from the company's Registrar & Share transfer agent.
7. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the company at least 10 days prior to the annual general meeting so that the required information can be made available at the company
8. In compliance with the provisions of section 108 of the act and the rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited(NSDL), on all the resolutions set forth in the notice
9. 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.
10. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges of person seeking re-appointment as Director under item no. 2 and 4 to 6 above are annexed hereto.
11. 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.
12. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE417B01040.
13. Annual Listing fees for the year 2014-15 has been paid to all stock exchange wherein shares of the company are listed.
14. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

 - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder - Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Dyancons Systems & Services Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csshrutishah@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial username and password is provided.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on September 25, 2014 (9:30 am IST) and ends on September 27, 2014 (6:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29th, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - ii. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 29th August, 2014.
 - iii. Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - iv. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Shruti H. Shah, Practicing Company Secretary (Membership No. 22923), at the Registered Office of the Company not later than September 27, 2014 (6:00 pm IST).
Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor@dynacons.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than September 27, 2014 (6:00 pm IST).
Ballot Form received after this date will be treated as invalid.
A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynacons.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Nineteenth AGM of the Company on September 30, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board

For DYNACONS SYSTEMS & SOLUTIONS LTD

Date : September 03, 2014

Place : Mumbai

Shirish M. Anjaria

Chairman cum Managing Director

Parag Dalal

Executive Director

Registered Office

78, Ratnajyot Industrial Estate,

Irla Lane, Vile Parle (W),

Mumbai – 400 056

CIN : **L72200MH1995PLC093130**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 of the Companies Act, 2013

ITEM NO. 3:

M/s. P.C. Ghadiali & Co., Chartered Accountants were appointed as a Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company held on 30th September, 2013. M/s. P.C. Ghadiali & Co., Chartered Accountants have expressed their unwillingness to offer themselves for re-appointment as Statutory Auditors of the Company.

M/s. Palan & Co., Chartered Accountants, (Firm's Registration No. 133811W), are proposed to be appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company to be held on 30th September, 2014. In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Palan & Co. can be appointed as Auditors for further period of three years after commencement of the Companies Act, 2013 i.e. upto March 31, 2017.

The Auditors have informed the Company that their appointment if made would be within the limits prescribed u/s 141 of the Companies Act, 2013 and the Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

In view of the above, M/s. Palan & Co. being eligible for appointment and based on recommendation of the Audit committee, the Board has proposed the appointment of M/s. Palan & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of 3 years to hold office from the conclusion of this AGM till the conclusion of 22nd AGM of the Company to be held in the year 2017 (Subject to the ratification of their appointment at every AGM)

The Board recommends the resolution at item No.3 for approval by members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 3 of the Notice.

ITEM NO. 4, 5, 6

Pursuant to Clause 49 of the listing Agreement, the Board of Directors of the Company comprises the following Independent Directors and in the opinion of the Board, the Below Independent Directors fulfils the conditions specified in this Act for such an appointment of Mr. Dilip Palicha, Mr. Viren Shah and Mr. Vishal Chapper

Pursuant to the provisions of Section 149 of Companies Act, 2013 (The Act), which came into effect from April 1, 2014, the Independent Directors are not liable to retire by rotation.

All the Non-executive Directors of the Company, have given a declaration to the board that they meet the criteria of independence as provided under Section 149(6) of the act. In the opinion of the board, each of these directors fulfill the conditions specified in the act and rules framed thereunder for appointment as independent director. The board has recommended the appointment of Mr. Dilip Palicha & Mr. Viren Shah till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017 & appointment of Mr. Vishal Chapper till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019.

In compliance with the provision of Section 149 of the act, the appointment of these directors as independent directors is now being placed before the members for their approval.

The brief profile of Independent Directors is as under:

Mr. Dilip Palicha

Mr. Palicha has vast experience in Management and Administration, Insurance, Expertise in Printing Technology & Animation. He is a Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.

Mr. Viren Shah

Mr. Shah has 21 years of wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration. He is a Post Graduate in Computer and Systems management & holds a Certificate in Oracle/ SQL & RDBMS Concepts.

Mr. Vishal Chapper

Mr. Chapper holds a Degree in B.Com, A.C.A., MBA (NMIMS distance learning), C.I.A (US) and by qualification he is a Chartered Accountant. He is specialized in the field of internal audits, MIS & financial management. He is currently heading Internal audit function of Bureau Veritas (A French Multi National Company). He is audit incharge of Middle East, South Asia, Russia Caspian Sea & Africa region which covers over forty four countries.

The Board recommends the resolution at item No. 4, 5, 6 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 4, 5, 6 of the Notice except Mr. Dilip Palicha, Mr. Viren Shah and Mr. Vishal Chapper.

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

Date : September 03, 2014

Place : Mumbai

Registered Office

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

CIN : L72200MH1995PLC093130

Shirish M. Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

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

Particulars	Mr. Shirish Anjaria	Mr. Dilip Palicha	Mr. Viren Shah	Mr. Vishal Chapper
Date of Birth	September 30, 1944	November 5, 1947	April 23, 1966	January 16, 1973
Date of Appointment	September 26, 1955	March 21, 2014	March 20, 2001	August 8, 2012
Experience in functional Area	41 years of experience in Business Management, Corporate Affairs and Customer Relations.	Vast experience in Management and Administration, Insurance, Expertise in Printing Technology & Animation.	21 Years of wide experience across a variety of industries & expertise in Systems Analysis, Design & Administration	Specialize in the field of Internal audits, MIS & financial management. He is currently heading Internal audit function of Bureau Veritas
Qualification	Graduate in Science, Post Graduate in Law, Association of Federation of Insurance Institute	Graduate with Certificate in Printing Technology, Associate of Federation of Insurance Institutes.	Advance Post Graduate in Computer and Systems management & hold a Certificate in Oracle/ SQL & RDBMS Concepts.	Degree in B.Com, A.C.A., MBA (NMIMS distance learning), C.I.A (US)
Directorship in other Companies(Public Limited Companies)	1	1	1	-
Membership of Committees of other public limited companies (Audit Committee and Shareholder's/Investor's Grievance Committee only)	-	2	2	2
No. of Share held in the company	360948	Nil	Nil	49277

By Order of the Board
For DYNACONS SYSTEMS & SOLUTIONS LTD

Shirish M. Anjaria
Chairman cum Managing Director

Parag Dalal
Executive Director

Date : September 03, 2014

Place : Mumbai

Registered Office

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

CIN : L72200MH1995PLC093130



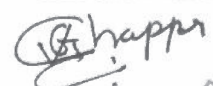



DYNACONS
SOLUTIONS THAT EMPOWER

L72200MH1995PLC093130

FORM-A

ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the Company	Dynacons Systems & Solutions Ltd.
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- • CEO/Managing Director	 (Shirish Anjaria)
	• CFO	 (Dharmesh Anjaria)
	• Audit Committee Chairman	 (Vishal Chapper)
	• Auditor of the company	For P.C. Ghadiali & Co. Firm Regn. No.: 103132W Chartered Accountant  C.K. Palan Partner Mem. No. 100741



For **Dynacons Systems & Solutions Ltd.**


Dharmesh Anjaria
Chief Financial Officer

Dynacons Systems & Solutions Limited

An ISO 9001:2008 Organization

78, Ratnajyot Industrial Estate, Irla Lane, Vile Parle (W), Mumbai 400056. INDIA.

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