



**DYNACONS**  
**TECHNOLOGIES LTD.**

**ANNUAL REPORT**  
**2010-2011**

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

**BOARD OF DIRECTORS**

Shri. Shirish M. Anjaria ... ..	Chairman & Managing Director
Shri. Parag. J. Dalal ... ..	Director
Shri. Dharmesh S. Anjaria ... ..	Director
Shri. Mukesh P. Shah ... ..	Director (Appointed w. e. f. 25/01/11)
Shri. Dilip P. Palicha ... ..	Director (Appointed w. e. f. 25/01/11)
Shri. Viren C. Shah ... ..	Director (Appointed w. e. f. 25/01/11)

**REGD. OFFICE**

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

**Registrar & Transfer Agents**

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

**PRINCIPAL BANKERS**

Dena Bank

**AUDITORS**

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

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**NOTICE**

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

**ORDINARY BUSINESS:**

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

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

**Dharmesh S. Anjaria**  
Director

Place : Mumbai  
Date: August 29, 2011

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

### **NOTES:**

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

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

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

**Dharmesh S. Anjaria**  
Director

Date: August 29, 2011

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

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

**Item No 4, 5 & 6**

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

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

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

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

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

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

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

**FOR DYNACONS TECHNOLOGIES LTD.**

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

**Dharmesh S. Anjaria**  
Director

Date: August 29, 2011

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

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

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

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

### DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT

(In Pursuance of Clause 49 of the Listing Agreement)

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

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

For DYNACONS TECHNOLOGIES LTD.

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

**Dharmesh S. Anjaria**  
Director

Date : August 29, 2011

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

**DIRECTORS' REPORT**

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

**1. Financial Highlights**

(Rs. In lacs)

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

**Management Analysis and Discussions****Company Performance**

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

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

**Review of Operations**

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

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

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

Your company has increased its focus on a sustained efficiency program across the enterprise. This includes working towards improving cash collection, controlling expenditure and optimizing wherever possible. These measures are showing visible success. Your Company has demonstrated leadership, remained disciplined in execution and faced a volatile market with a positive 'can do' attitude. Looking towards the future, your Company will remain focused on agility, innovation and operational excellence.

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

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

Distribution expertise. The company's focus will be on making strategic alliances with global IT product companies and on further expansion of its delivery and support infrastructure across the country.

### **Strengths**

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

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

### **Quality**

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

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

In order to be able to respond quickly to the customers, your Company continues with various internal initiatives to compete effectively, improve organizational flexibility and efficiency, streamline internal processes across all its entities globally and institutionalize a culture of continuous improvement. The system comprises well defined organization structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority.

### **Outlook**

The company is undertaking several key initiatives including development of skill sets and domain knowledge for providing implementation and application services to customers on behalf of its vendors and partners. Opportunities in value added distribution where vendors are increasingly looking at their partners to add to their own efforts at market development and demand generation activities are also possible areas of differentiation as compared to its competitors.

We have built a strong foundation and with IT spending on a rebound, the outlook for the future is robust. We believe that with our diverse portfolio of solutions and services, domain expertise and increasing value-add to customers, we are best suited to be a strategic partner to our customers.

### **Risks and Concerns**

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

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

### **Dividend**

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



**Directors**

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

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

**Auditors**

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

**Corporate Governance**

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

**Scheme of Arrangement:**

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

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

**Particulars of the Employees**

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

**Human Resource Management**

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

We have created a favorable work environment that encourages innovation and meritocracy. We have also set up a scalable recruitment and human resources management process. Employee relations during the year were cordial. The Company offers a growth environment along with monetary benefits in line with industry standards.

**Fixed Deposits**

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

### Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors based on the information and representations received from the operating management confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period.
- iii) The Directors had taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.,
- iv) The Directors had prepared the annual accounts on a going concern basis.

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

**Conservation of Energy:** the Company's operations involve low energy consumption. However efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

**Technology Absorption:** The Technology available and utilized is continuously being upgraded to improve overall performance and productivity.

**Research & Development:** Your Company believes that research & development is a continuous process for sustained corporate excellence. Our research & development activities help us in product and service improvement, effective time management and are focused to provide unique benefits to our customers. Such methods do not involve any specific cost burden to the company.

**Foreign Exchange Earnings** : Rs. Nil (previous year Nil)

**Foreign Exchange Outgo** : Rs. 0.95 lacs (previous year Rs 0.54 lacs)

### Acknowledgements

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

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

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

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

**Parag J. Dalal**  
Director

Mumbai: May 30, 2011