

From the CEO's desk....



Dear Shareholders,

These are exciting times for our company as the technology is reshaping our world - an increasingly digital world and a deeply connected world. As part of the "Internet of Every Thing" world, our focus will be on IOV "Internet of Vehicles". Our vast experience in vehicle electronics becomes our core competitive advantage.

The analysts forecast global auto electronics market to grow at a CAGR of approximately 15% during the period 2016-2020. A key growth driver is the rising consumer demand. Consumer demand for safety, connectivity, and infotainment in the vehicle promises to drive the auto electronics industry.

According to "Global Automotive Executive Survey -2016" (Courtesy KPMG International), Connectivity and digitalization will be key trend dominating the strategic agenda until 2025. As per the survey the countdown for disruption already started and that more than 80% of the executives are convinced that the new digitalized connectivity will strongly disrupt the auto industry by the end of this decade.

As consumers increasingly aim to be always connected, the relationships are shifting to a much more service-oriented and new data driven business model. The center of gravity of the customer relationship in a connected car seems to be rapidly shifting towards tech giants from Silicon Valley.

As the OEMs and large Tier-1s along with tech giants concentrate on the new vehicles, your company has an opportunity to address the

existing vehicles that will not have all the new technologies. As an after-market telematics provider along with the investments we are making in cloud based software applications we will be well positioned to take advantage of this disruptive trend.

Data from the cars will be the fuel that will ignite informational engineering. It is very critical for our company to invest in Data Science and deliver some valuable services like Vehicle Health to the consumers. We are confident our strengths will lead to new opportunities in this exciting space.

Summary of financial results:

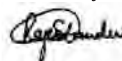
- Total revenue 1242 lacs as compared to 995 lacs of previous year
- Profit after tax of 190 lacs vs.94 lacs in previous year
- Danlaw Technologies Inc. our USWOS:
 - Total revenues of \$725 thousand US Dollars
 - Income from Operations \$81 thousand USD

In conclusion, I would like to place on record the management's appreciation of the contributions made by our employees at all levels. We certainly thank our customers, vendors and our bankers for their support during the year.

I thank the Board of Directors for their continued guidance.

We take this opportunity to thank all the shareholders of the company for their trust in us.

Best Regards,
Sincerely Yours,



Raju S. Dandu
Chairman & Managing Director

BOARD OF DIRECTORS

Raju S Dandu
Chairman & Managing Director

K N Praveen Kumar
Director

M A Ashok Kumar
Director

N S Sappata
Director

T Ravi Kumar
Director

P Sundaramma
Director

MANAGEMENT TEAM

B V Ramana
Chief Operating Officer

G Govardhan Rao
Executive Vice President

Y V Subramanyam
Vice President- ISS Division

E U S Prabhakar
Vice President- ESD

A V R K Varma
Chief Financial Officer

V Padmaja
Company Secretary

REGISTERED OFFICE

Plot No.43, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad 500 034.
info@danlawinc.com

USA SUBSIDIARY

Danlaw Technologies Inc.
41311, Vincenti Court,
Novi,
MI 48375, USA.

AUDITORS

M/s. Ramana Reddy & Associates
Chartered Accountants,
Unit No.406, 4th Floor,
Ashoka Capitol, Opp: KBR Park,
Road No.2, Banjara Hills,
Hyderabad - 500034

BANKERS

HDFC Bank Ltd. ,
Banjara Hills Branch,
Hyderabad.

SBI - IFB
Somajiguda, Hyderabad.

**DEPOSITORY REGISTRARS & SHARE
TRANSFER AGENTS**

Karvy Computershare Pvt. Ltd.
Karvy Selenium, Tower B,
Plot Number 31 & 32, Financial District
Gachibowli, Hyderabad 500 008, India.
Phone: 040 - 67161605, 67161602
E-mail: einward.ris@karvy.com

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NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Friday, the 30th day of September 2016 at 10.00 a.m. at the Registered Office of the Company at Plot 43, Sagar Society, Road 2, Banjara Hills, Hyderabad, Telangana – 500034, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2016 including the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Ramana Reddy & Associates, Chartered Accountants (Firm Registration No. 003246S), as Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty fourth AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

3. Re-appointment of Mr. Raju S Dandu as Managing Director
To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“ RESOLVED THAT pursuant to Sections 196,197,198,203 and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, rules thereof, and subject to approval of the Central Government, Mr. Raju S Dandu be and is hereby appointed as the Chairman and Managing Director of the Company at a remuneration of gross pay of Rs.1,50,000/- (Rupees one lakh fifty thousand only) per month plus all other benefits, perquisites and other allowances as permitted by the Companies Act, 2013 within the rules of the Company as applicable from time to time.

The Chairman and Managing Director shall also be eligible for the following perquisites:

Category I: Included in the Remuneration

- a) Housing: The expenditure incurred by the Company on hiring furnished accommodation.
- b) House Maintenance: The expenditure incurred by the Company on gas, electricity, water and furnishings.
- c) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one-month salary.
- d) Club fee subject to a maximum of two clubs.
- e) Premium on Medical / Personal Accident Insurance Policy, which does not exceed Rs.5,000/- per month.
- f) The Company will reimburse the wages of one servant at residence.

Category II: Not included in the remuneration

- a) Contribution to Provident Fund and Annuity Fund are as per the rules of the Company and to the extent these either singly or put together are not taxable under the Income Tax Act.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encasement of Leave at the end of his tenure
- d) Leave: As per the rules of the Company
- e) Leave Travel Concession for self and family incurred in accordance with the service rules of the Company.
- f) Provision of car with driver for use on Company's business.
- g) Telephone at residence and mobile phone for self

RESOLVED FURTHER that the Chairman and Managing Director shall be paid a commission upto a maximum of 2% of the current relevant profit, the actual amount of which will be determined by the Board of Directors from time to time, subject to overall ceiling of Managerial Remuneration as prescribed in the Companies Act, 2013.

RESOLVED FURTHER that notwithstanding anything specified above, where in any financial year, during the currency of the tenure of the Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Mr. Raju S Dandu by way of salary, perquisites and allowances as mentioned above.

RESOLVED FURTHER that the Board be and is hereby authorized to revise the gross salary of the Chairman and Managing Director by a maximum of 50% per annum."

Place: Hyderabad
Date: 06.08.2016

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN : 00073484

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.** The instrument appointing a proxy should however be deposited at the registered office, not less than 48 hours before the commencement of meeting.
3. Members / Proxies are requested to bring copies of Annual Report along with them and the duly filled-in attendance slips for attending the meeting. No copies of Annual Report will be distributed at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2016 to 30th September 2016 (both days inclusive).
5. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 25th September 2016, to facilitate the compilation of data for clarifications.
6. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Electronic) to M/s. Karvy Computer share Private Limited, at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana State (TS) India. E-mail: einward.ris@karvy.com
7. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 are being sent by the permitted mode.
8. Members may also note that the Notice of the AGM along with Annual Report 2015-16 will be available on the Company's website, www.danlawtechnologies.com.
9. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per listing agreement, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computer share Private Limited, on all the resolutions set forth in this Notice.
10. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on this cut-off date (23rd September 2016). A person whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the Annual General Meeting through Ballot paper.
11. Any person who acquires shares of the company and becomes member of the company after the date of dispatch of Notice and holds shares as on the cut-off date may obtain the User ID and password/PIN by sending a request to Karvy Computershare Private Limited.

12. The facility of voting through Ballot paper will be provided at the Annual General Meeting. Members attending the meeting and who have not cast their vote earlier by remote e-voting shall be able to vote at the meeting. Members can participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting. Once the vote on a resolution is cast by the member by remote e-voting, he shall not be allowed to modify the same or cast vote again.

13. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.karvy.com> or contact on 1-800- 3454001(toll free) or contact Mr. Sandeep Sanghi on (040) 67161608

Place: Hyderabad
Date: 06.08.2016

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN : 00073484

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under item No. 2 and 3 of the accompanying Notice:

Item No. 2

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Ramana Reddy & Associates, Chartered Accountants (Firm Registration No. 003246S) were appointed as the statutory auditors of the company for a period of three years at the Annual General Meeting (AGM) of the Company held on September 30, 2014.

As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 2 of the Notice.

The Board commends the Resolution at items no. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at item no. 2 of the accompanying Notice.

Item No. 3

The Board of Directors re-appointed Mr. Raju S Dandu as the Chairman & Managing Director of the Company with effect from 1st April 2011 for a term of five years. The appointment was approved by the members of the Company at the annual general meeting held on 30th September 2011. His term of five years expired on 31st

March 2016. The Board approved his re-appointment for another term of five years, w.e.f. 1st April 2016. The remuneration committee has also reviewed the terms & conditions of appointment and approved the same.

The Board of Directors recommends the resolution for approval. Mr. Raju S Dandu is considered as concerned or interested in the said resolution.

For the information of the members, his detailed profile is appended herein below.

Information about Mr. Raju S Dandu:

Danlaw is the brainchild of Mr. Raju, who has been its Promoter Director. He is instrumental in spearheading the progress of the Company during all these years. Mr. Raju has been the source of getting business from US clientele – both for Engineering and IT divisions. He has formulated the core culture and policies of the Company and chiseled the future of Danlaw. The growth of the Company is as per his vision and future plans. Being CMD of the Company, Mr. Raju is propagating the image of Danlaw among the industry circles. He has long drawn plans for the future of the Company, which would be implemented in phased manner with due approvals from the Board and the Members of the Company as per the requirements. Under his able stewardship, Danlaw has a bright future.

Mr. Raju is a highly qualified Technocrat from Andhra Pradesh, India. He is B.E. in Electronics and Communications, M.S in Electrical and Computer Engineering from University of Iowa, USA and MBA from University of Detroit, USA.

Raju started his professional career in 1977 as a programmer analyst with University of Iowa hospitals where he was responsible for systems programming for the cancer institute. He moved on to Dearborn, Michigan in 1978 to work for Ford Motor Company as software engineer where he developed controls based on first 16-bit microprocessors as well as the first automated engine control software tester. He moved to Dana Corporation in 1980 where he was responsible for development of general purpose CNC and developed the first ever GUI and application logic on CNC control. Raju worked as an independent consultant for General Motors from 1982 to 1984 and responsible for Engine control and Body computer modules.

He then founded Danlaw Inc. in Detroit, USA, in 1984, which is today synonymous with vehicle diagnostics, testing and messaging and is a tier-1 vendor to GM. After having gained rich experience as a technocrat and as an entrepreneur from India for over a period of two decades, Mr. Raju has set up another company by name Danlaw Technologies India Ltd. in his homeland. The company provides employment to over 500 technical people at various levels. He is much admired by his colleagues and staff for his strong core values, ethics, principles and far reaching vision.

The Board commends the Resolution at item No. 3 for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at item no. 3 of the accompanying Notice.

Place: Hyderabad
Date: August 06, 2016

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN : 00073484

DIRECTORS' REPORT

To,
The Members,

The Directors submit annual report of Danlaw Technologies India Limited (DTIL) along with the audited financial statements for the financial year ended March 31, 2016. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2015-16			2014-15		
	DTIL	WOS	Cons.	DTIL	WOS	Cons.
Net sales/Income from operations	1103.20	205.55	1308.75	874.07	262.30	1136.37
Other Income	139.09	-	139.09	120.63	-	120.63
Total Income	1242.29	205.55	1447.84	994.70	262.30	1257.00
Cost of materials	172.70	-	172.70	135.72	-	135.72
Employee's Cost	596.31	141.28	737.59	543.76	167.71	711.47
Finance cost	0.85	-	0.85	-	-	-
Depreciation	21.87	-	21.87	26.49	-	26.49
Other Expenses	172.49	11.71	184.20	171.04	13.85	184.89
Total Expenses	964.22	152.99	1117.21	877.01	181.56	1058.57
Profit / (Loss) before tax	278.07	52.26	330.63	117.69	80.74	198.43
Exceptional Items	-	-	-	-	65.94	65.94
Profit before extraordinary items and tax	278.07	52.56	330.63	117.69	146.68	264.37
Current Tax	56.86	8.47	65.33	25.87	6.32	32.19
Deferred Taxes	31.11	-	31.11	(2.32)	46.43	44.11
Profit / (Loss) after tax	190.10	44.09	234.19	94.14	93.93	188.07
Paid up equity share capital	372.03	295.66	372.03	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	2109.42	169.04	2278.46	1919.32	95.32	2014.64
Earnings per share	5.11		6.29	2.53		5.06

Dividend

In view of requirement of funds for expansion / operations, the Board of Directors of your Company does not recommend any dividend for the financial year 2015-16.

Transfer to Reserve

Since there is no surplus in Profit and Loss account, there is no transfer to general reserve.

Company's Performance (Stand Alone)

Revenue from operations has increased by about 26% to Rs.1103.20 lacs. The net Profit before Extraordinary items and Tax for the fiscal year is Rs.278.07 lacs as compared to a Profit of Rs.117.69 lacs in the previous year. An Increase of 236%. Profit after Extraordinary items and tax for the fiscal year is Rs.190.10 lacs as compared to a Profit of Rs.94.14 lacs in the previous year. Your management continued to control the costs without compromising the future delivery capacity.

The other income of Rs.139.09 lacs includes about Rs.118.21 lacs of interest income, Rs.20.88 lacs of exchange gain. The management continues to put efforts to collect all the receivables from our customers.

Change in the nature of business, if any

There is no change in the nature of business.

Events subsequent to the date of financial statement

There are no material changes occurred subsequent to the close of financial year of the company.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders were passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal financial control systems and their adequacy

Danlaw's internal financial control systems are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorization and ensuring compliance of corporate governance.

Subsidiary Companies

The Company has a wholly owned subsidiary in USA, Danlaw Technologies, Inc. Performance and financial position has been given above in the financial results.

Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the data of the balance sheet.

Auditors

In terms of the provisions of Section 139(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the Company appointed the Statutory Auditors for a period of three years from the conclusion of the 21st Annual General Meeting upto the conclusion of 24th Annual General Meeting. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 139(1) of the Companies Act, 2013 and Rule 4(1)(a) of Companies (Audit and Auditors) Rules, 2014. As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the members at every AGM. Therefore, the Board of Directors recommend to the Members for ratification accordingly.

Auditors' report and secretarial auditors' report

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report.

Extract of the Annual Return

The extract of the annual return in Form No. MGT - 9 is annexed and shall form part of the Board's Report.

Conservation of energy and technology absorption

a) Conservation of energy

Your Company is engaged in the business of software and information technology and has no specific activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014. The Company

has taken necessary measures wherever possible for the conservation of energy. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

b) Research & Development and Technology Absorption:

- (i) R & D: Your Company has a team of people working on R & D. This year no revenue expenditure was deferred.
- (ii) Technology Absorption: Your Company continues to use state of the art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

Foreign exchange earnings and outgo:

The particulars of foreign exchange earnings and outgo are given below.

Particulars	2015-2016	2014-2015
Earnings	8,45,40,692	6,63,16,479
Outgo	69,12,729	49,53,219

Corporate social responsibility policy

Not applicable

Directors and Key Managerial Personnel

- 1. Mr. Raju S Dandu -- Chairman and Managing Director(KMP)
- 2. Mr. M. A. Ashok Kumar -- Independent Director
- 3. Mr. Naga Satyanarayana Sappata -- Independent Director
- 4. Mr. T. Ravi Kumar -- Independent Director
- 5. Mr. K.N. Praveen Kumar -- Independent Director
- 6. Mrs. P.Sundaramma -- Independent Director
- 7. Mr. AVRK Varma -- Chief Financial Officer (KMP)
- 8. Mrs. V. Padmaja -- Company Secretary (KMP)

Re-appointment of Mr. Raju S Dnadu as Chairman & Managing Director:

The Board of Directors re-appointed Mr. Raju S Dandu as the Chairman & Managing Director of the Company with effect from 1st April, 2011 for a term of five years. The appointment was approved by the members of the Company at the annual general meeting held on 30th September 2011. The term of the Chairman & Managing Director expires on 31st March, 2016. Hence, a proposal is placed before the nomination and remuneration committee and the same was placed before the board at its meeting on February 10, 2016 as recommended by the committee.

Board has approved the Re-appointment of Mr. Raju S Dandu as Chairman & Managing Director for a term of 5 years pursuant to Sections 196,197,198,203 and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, rules thereof, and further subject to the approval of the members of the Company at the next general meeting and also subject to approval of the Central Government at a remuneration of Gross Pay of Rs.1,50,000/- per month plus all other benefits, perquisites and other allowances as permitted by

the Companies Act, 2013 within the rules of the Company as applicable from time to time.

Key managerial personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company has complied with the provisions by appointing CS, CFO with effect from 28th May, 2014.

Meeting of the Board of Directors

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Board Evaluation

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

Audit Committee

Four meetings of the committee were held during the year. For details of the meetings of the committee, please refer to the corporate governance report, which forms part of this report.

Nominations and Remuneration Committee

Please refer to the corporate governance report, which forms part of this report.

Particulars of loans, guarantees or investments under section 186

In the Financial Year 2015-16, the Company has not given any loan, guarantees or made any investments

exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is higher, as prescribed in Section 186 of the Companies Act, 2013.

Particulars of contracts or arrangement with related parties:

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure I in Form AOC-2 and the same forms part of this report.

Managerial Remuneration

- a. The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the financial year: 2.49
- b. No other directors are paid remuneration except sitting fees
- c. There is no increase in the remuneration of MD, CFO or CS in the financial year.
- d. The number of permanent employees on the rolls of the Company: 91

Particulars of employees

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 134(3) (q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, no such particulars in this regard are annexed.

Disclosure requirements

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with compliance certificate of practicing company secretary thereon and management discussion and analysis are attached, which form part of this report

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges (URL: www.danlawtechnologies.com).

Disclosure about cost audit

Not applicable to the Company

Industry based disclosures as mandated by the respective laws governing the company

The Secretarial audit report for the financial year 2015-16 has briefed on compliance of industry based disclosures and concerned laws governing the company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are 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 for the maintenance of adequate accounting records in accordance with the provisions of the Act 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;
- v. The directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude and appreciation for the continued cooperation and excellent support received from all the quarters.

Your Directors also wish to place on record their appreciation for the sincere contributions received from the employees of the Company in enabling it to achieve the performance during the year under review and the valuable co-operation and continuous support extended by the Bankers, Consultants, Stakeholders, Strategic Investor, various Government and Statutory authorities and other business associates.

Place : Hyderabad
Date : August 6, 2016

By order of the Board
For Danlaw Technologies India Ltd.

Raju S Dandu
Chairman & Managing Director
(DIN : 00073484)

Form AOC-I

ANNEXURE I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

1. Sl. No.	:	1
2. Name of the Subsidiary	:	DANLAW TECHNOLOGIES INC
3. Reporting period of the subsidiary concerned, If different from the holding company's reporting Period	:	Same as of holding company April 1 to March 31
4. Reporting currency and exchange rate as on the Last date of relevant financial year in the case of Foreign subsidiaries.	:	United States Dollar (USD) Rs.66.18 per USD
5. Share capital	:	Rs.2,95,66,245
6. Reserves & surplus	:	Rs.41,15,403
7. Total Assets	:	Rs.5,50,08,485
8. Total Liabilities	:	Rs.85,37,882
9. Investments	:	Rs. Nil
10. Turnover	:	Rs.4,73,01,412
11. Profit before taxation	:	Rs.52,55,601
12. Provision for taxation	:	Rs.8,46,541
13. Profit after taxation	:	Rs.44,09,060
14. Proposed dividend	:	Nil
15. % of share holding	:	100%

Form No. AOC-2

ANNEXURE II

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Danlaw Technologies India Limited (DTIL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2015-16.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
 - a. Name(s) of the related party and nature of relationship:
Danlaw Technologies Inc (DTI), wholly owned subsidiary of DTIL.
Danlaw Inc (DI), Associate Company
DSN Raju / D Lakshmi
 - b. Nature of contracts / arrangements / transactions:
Electronic hardware sales, IT/ITES Services with DTI and DI
Lease rent agreement for office premises with DSN Raju / D Lakshmi
 - c. Duration of the contracts / arrangements / transactions: On going
 - d. Salient terms of the contracts or arrangements or transactions including the Value, if any:

DTIL shall (i) provide IT/ITES services and Electronic hardware to the existing and new clients of DTI/DI, (ii) diligently perform the contract in timely manner and provide services in accordance with the work order issued by DTI/DI, (iii) submit invoices on monthly basis for the services provided for each project as per the terms of contract and DTI/DI shall promptly pay the same, (iv) be responsible for all the expenses incurred in connection with providing its services and (v) comply with the local, state and federal laws and regulations applicable while providing services.

Lease rental agreement for office premises with DSN Raju/D Lakshmi on rate not detrimental to the interest of the company.

- e. Date(s) of approval by the Board, if any: Not applicable, since the contracts were entered into in the ordinary course of business and on arm's length basis.
- f. Amount paid as advances, if any: Nil

August 6, 2016

On behalf of the board of directors,

Raju S Dandu
Chairman & Managing Director

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31,2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- I. CIN:L22200TG1992PLC01509
- ii. Registration Date : December 3,1992
- iii. Name of the Company : Danlaw Technologies India Limited
- iv. Category/ Sub-Category of the Company: Company Limited by shares/ Indian Non-Government Company
- v. Address of the Registered office and contact details

43, Sagar Society,
Road No.2, Banjara Hills, Hyderabad 50034.
Tel:914023542499, Fax:914023541671
Email:investor.relations@danlawtechnologies.com
Website:www.danlawtechnologies.com

- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any
KARVY COMPUTERSHARE PVT. LTD.
Karvy Selenium, Tower B,
Plot Number 31 & 32, Financial District
Gachibowli, Hyderabad 500 008, India.
Phone: 040 - 67161605, 67161602
E-mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Computer Programming, Consultancy and Related Activities	620	72
2	Industrial electronics	264	11
3	Security Solutions (Trading)	474	17

III. Particulars of Holding, Subsidiary, Associate Companies

Name: Danlaw Technologies Inc (100% wholly owned subsidiary)

Country: USA

Address: 41131, Vincenti Court, Novi, MI 48375

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
a.	Individuals/ Hindu Undivided Family	257913	0	257913	6.93	257913	0	257913	6.93	0
b.	Central Government /State Governments(s)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	1461592	0	1461592	39.29	1461592	0	1461592	39.29	0.000
d.	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
e.	Others-	8000	0	8000	0.22	8000	0	8000	0.22	0.000
	Sub-Total(A)(1)	1727505	0	1727505	46.43	1727505	0	1727505	46.43	0.000
2.	Foreign									
a.	Individuals (Non-Resident Individuals / Foreign Individuals)	123300	0	123300	3.31	123300	0	123300	3.31	0
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Others-Trust	0	0	0	0	0	0	0	0	0
	Sub - Total(A)(2)	123300	0	123300	3.31	123300	0	123300	3.31	0
	Total Shareholding of Promoter and Promoter Group (A)	1850805	0	1850805	49.75	1850805	0	1850805	49.75	0.000

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
1.	Institutions									
a.	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
c.	Central Government / State Governments(s)	43000	0	43000	1.16	43000	43000	43000	1.16	0
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0	0	0
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Portfolio Investors (Corporate)	0	0	0	0	0	0	0	0	0
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub - Total(B)(1)	43000	0	43000	1.16	43000	0	43000	1.16	0
2.	Non- Institutions									
a.	Bodies Corporate	194363	3200	197563	5.26	229603	1400	231003	6.21	0.95
b.	Individuals-									
i.	Individual shareholders holding nominal share capital up to `2 lakh	788799	18616	807415	21.70	1171621	18616	1190237	31.99	10.29
ii.	Individual shareholders holding nominal share capital in excess of `2 lakh	815131	0	815131	21.91	370865	0	370865	9.97	-11.94
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other NRI	7442	0	7442	0.20	24609	0	24609	0.66	0.46
i.	Foreign Companies	0	0	0	0.000	0	0	0	0.000	0.000
ii.	Clearing Members/ Clearing House	744	0	744	0.02	9781	0	9781	0.26	0.24
	Sub-total (B) (2)	1806479	21816	1828295	49.14	1806479	20016	1826495	49.10	0.04
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1849479	21816	1871295	50.30	1849479	20016	1869495	50.25	-0.05
	TOTAL(A)+(B)	3700284		20016	100.00	3720300	20016	3720300	100.000	0.000
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRANDTOTAL (A)+(B)+(C)	3700284	3700284	20016	3720300	3700284	20016	3720300	100.000	0.00

ii. Shareholding of Promoters

Sr. No.	Share holder's Name	Shareholding at the beginning of the year 01.04.2015			Share holding at the end of the year 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ en-cumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Danlaw Systems India Ltd	1461592	39.29	0	1461592	39.29	0	0.00
2.	Srinivas Dandu	63200	1.70	0.00	63200	1.70	0.00	0.00
3.	Pallavi Dandu	60100	1.62	0.00	60100	1.62	0.00	0.00
4.	Lakshmi Dandu	59000	1.59	0.00	59000	1.59	0.00	0.00
5.	D Lakshmi	60100	1.62	0.00	60100	1.62	0.00	0.00
6.	D Venkat Raju	52800	1.42	0.00	52800	1.42	0.00	0.00
7.	Pallamma Dandu	46300	1.24	0.00	46300	1.24	0.00	0.00
8.	D Praveen Varma	39713	1.07	0	39713	1.07	0	0
9.	B V Ramana	8000	0.22	0.00	8000	0.22	0.00	0.00
	Total	1850805	49.77	0	1850805	49.77	0	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016			
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweatequity etc):				
3.	At the end of the year				

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top 10 Shareholders*	Share holding at the beginning of the year 01-04-2015		Cumulative Shareholding end of the year 31-03-2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Raj Kumar Lohia	143029	3.84	-	-
2.	Surendra Radheyshyam Bagaria	111500	3.00	-	-
3.	Sanjay J Poddar	59000	1.59	59000	1.59
4.	K R Bharat	58000	1.56	58000	1.56
5.	Alice Joseph	51575	1.39	-	-
6.	MeherAnoopMalani	46819	1.26	-	-
7.	Karthik Reddy A	42000	1.13	42000	1.12
8.	Softel Infra Private Limited	39051	1.05	39051	1.05
9.	Vibhava Mishra	38644	1.04	38644	1.04
10.	V Subba Raju Namburi	0	-	56500	1.52

*The shares of the Company are traded on a daily basis and hence the date wise increase /decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Folio/ Beneficiary Account no	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nil	Nil	1-Apr-2015	At the beginning of the year	Nil	Nil	Nil	Nil
			31-Mar-16	At the end of the year	Nil	Nil	Nil	Nil
				Total:	Nil	Nil	Nil	Nil

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

	Secured Loans excluding deposits ¹	Unsecured Loans ²	Deposits ³	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in indebtedness during the financial year				
x Addition	-	-	-	-
x Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sr. No.	Particulars of Remuneration	
		Mr.Raju S Dandu CEO & MD
1.	Gross salary	In Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income - tax Act, 1961	10,80,000
	(b) Value of perquisites u/s17(2) of the Income - tax Act, 1961	9,075
	(c) Profits in lieu of salary under Section17(3) of the Income tax Act,1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as% of profit	-
5.	Others, Allowances	-
	Total(A)	10,89,075

B. Remuneration to other directors:

In Rs.

Sr. No.	Particulars of Remuneration	Fee for attending board /committee meetings	Others, please specify	Total Amount
1.	Independent Directors			
	Mr. M A Ashok Kumar	40,000	—	40,000
	Mr. N S Sappata	70,000	—	70,000
	Mr. T Ravi Kumar	70,000	—	70,000
	Smt. P Sundaramma	70,000	—	70,000
	Total (1)	2,50,000		2,50,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

In Rs.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr.A V R K Varma CFO	Mrs. Padmaja V Company Secretary	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income - tax Act, 1961	13,87,020	1,82,124	15,69,144
	b. Value of perquisites u/s 17(2) of the Income - tax Act, 1961	—	—	—
	c. Profits in lieu of salary under Section 17(3) of the Income - tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit	—	—	—
5.	Others, Allowances	—	—	—
	Total	13,87,020	1,82,124	15,69,144

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31,2016.

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

To,
The Members,
Danlaw Technologies India Limited
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Danlaw Technologies India Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder :
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder,
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange

Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (d) The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. Other laws applicable specifically to the Company namely:
- (a) Information Technology Act, 2000 and the rules made thereunder
 - (b) Software Technology Parks of India rules and regulations
 - (c) The Indian Copyright Act, 1957
 - (d) The Patents Act, 1970
 - (e) The Trade Marks Act, 1999.
4. I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited
5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law and environmental laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on a agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

Syed Meera Mohiddin
Company Secretary
M.No. 19395
CP No : 7813

Place : Hyderabad

Date: 06.08.2016

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
Danlaw Technologies India Limited
Hyderabad

My report of even date is to read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Syed Meera Mohiddin
Company Secretary
M.No. 19395
C P No. 7813

Place : Hyderabad
Date: 06.08.2016

REPORT ON CORPORATE GOVERNANCE

1. The Philosophy and the Policy

The company's philosophy on corporate governance is based on the principles of ethical and responsible decision-making, integrity in financial reporting and recognizing the legitimate interest of the stakeholders. This is achieved through adoption of competitive corporate strategies, prudent business plans and strategic monitoring and mitigation of risks.

Corporate Governance has been a continuous journey at Danlaw always taking into account the welfare of its stakeholders in all its business decisions. Its business culture and practices are founded upon a common set of values that govern its relationships with customers, employees, shareholders, suppliers and the communities in which the company operates. The company follows sound and healthy business practices in all facets of its operations and conducts its business in a transparent manner.

2. The Board and its Meetings

The Board consists of six directors of whom five are Independent Non-Executive directors. Five meetings were held during the Financial Year 2015-2016, on 23rd May 2015, 25th July 2015, 16th October 2015, 10th February 2016, 10th February 2016 (Independent Directors Exclusive Meeting).

The particulars of directors, their attendance and other directorships, memberships /chairmanships of committees for the financial year 2015-2016 are given below:

Name	Category	Attendance At		Particulars of other Indian Directorships, Committee Memberships/ Chairmanships		
		Board	Last AGM	Directorship	Committee Membership	Committee Chairmanship
Raju S Dandu	Promoter Executive	4	Yes	1	Nil	Nil
M A Ashok Kumar	Independent Non-executive	5	Yes	1	Nil	Nil
Naga Satyanarayana Sappata	Independent Non-executive	5	Yes	Nil	Nil	Nil
K N Praveen Kumar	Independent Non-executive	1	Yes	Nil	Nil	Nil
T Ravikumar	Independent Non-executive	5	Yes	Nil	Nil	Nil
P Sundaramma	Independent Non-executive	5	No	1	Nil	Nil

3. The Committees of the Board

a) Audit Committee

As on date the Audit Committee consists of five directors as its members, out of whom four are independent non-executive directors and one is promoter managing director. Its members as on date are : Mr. T Ravi Kumar, Mr. Naga Satyanarayana Sappata, Mr. K N Praveen Kumar, Smt P Sundaramma and Mr. Raju S Dandu.

The Committee met four times during the financial year 2015-2016, on 23rd May 2015, 25th July 2015, 16th October 2015, 10th February 2016.

The terms of reference to the Audit Committee are in line with the powers, duties and responsibilities stipulated in the 'Audit Committee Charter' drafted as per Clause 49 of the Listing Agreement and adopted by the Board.

b) Nomination and Remuneration Committee

The company has a Nomination Committee comprising the Non-executive Directors Mr. M A Ashok Kumar [Chairman], Mr. Naga Satyanarayana Sappata. The terms of reference are review of the compensation policy for the Executive

Directors. Accordingly, they are authorised to negotiate, finalize and approve the terms of appointment for Managing Director/Whole-time Directors on behalf of the company.

Details of remuneration to directors

Non-Executive directors are not paid any remuneration, except sitting fee@ Rs.5,000/- per meeting till sept 2015 and @ 10,000/- per meeting from Oct 2015 attended by them.

The Managing Director is paid monthly remuneration by way of salary as approved by the committee, board and the members. The following is the remuneration paid to the directors during the financial year 2015 -2016:

Name	Salary	Contribution To PF	Perks	Sitting Fee	TOTAL
Raju S Dandu	10,80,000	1,29,600	9,075	-	12,18,675
M A Ashok Kumar	-	-	-	40,000	40,000
Naga Satyanarayana Sappata	-	-	-	70,000	70,000
Mr. T Ravi Kumar	-	-	-	70,000	70,000
Smt. P Sundaramma	-	-	-	70,000	70,000

c) Share Transfer and Investors' Grievance Committee

Mr. M A Ashok Kumar and Mr. Raju S Dandu are members of the committee. While Mr. M A Ashok Kumar is the Chairman, Mr. A V R K Varma is the Compliance Officer and is responsible for the share transfers / demat and remat requests.

M/s. Karvy Computer share Pvt. Ltd., the Registrars and Share Transfer Agents, maintains the share accounting package and upgrades the data on weekly basis, as per the information received from NSDL / CDSL. No investor complaints were received during the entire financial year.

4. General Body Meetings

Year	Meeting	Date, Venue & Time	Special Resolutions passed at the meetings
2012-2013	AGM	30 th September, 2013 Regd. Office, 10.00 a.m.	—
2013-2014	AGM	30 th September, 2014 Regd. Office, 10.00 a.m.	Appointment of Mr. MA Ashok Kumar, NS Sappata, KN Praveen Kumar and T Ravi Kumar as independent directors
2014-2015	AGM	30 th September, 2015 Regd. Office, 10.00 a.m.	Regularize the appointment of Smt. P Sundaramma as independent director

5. Disclosures

i. Related Party transactions

All material transactions entered into with related parties as defined under the Act and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions.

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years and 2015-16 respectively: Nil

iii. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has also been put up on the website of the Company at the following link-

www.danlawtechnologies.com

iv. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the national securities depository limited (NSDL) and central depository services (India) limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of equity shares in physical form and the total number of dematerialized shares held with NSDL and CDSL

v. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with the code applicable to them during the year ended March 31, 2016. The Annual Report of the Company contains a Certificate by the CEO and Managing Director in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors and Senior Management.

vi. The audit committee reviews the consolidated financial statements of the Company. The Company does not have any material listed or non-listed Indian subsidiary companies.

The details of transactions with related parties are given in 19.2.16 of the 'Notes on Accounts' at page no.55 forming part of the accounts. There were no potentially conflicting transactions with the related parties. There were no 'charges of non-compliance' against the company.

6. Means of Communication

The periodical financial results are being released in the prescribed format within the prescribed time period from time to time. They were also sent to the Stock Exchanges promptly. These results were published in Business Standard and Nava telangana and were also posted on the website of the company, www.danlawtechnologies.com.

Official news releases, if any, shall also be promptly informed to the stock exchange alongwith posting of the same on the company's website. The company has not made any presentations to any institutional investors or analysts during the year under review.

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

I hereby declare that the Company has obtained confirmation from all the Board Members and senior personnel of the Company for the compliance of the Code of conduct of the Company for the year.

Place: Hyderabad
Date : Aug 6, 2016

Raju S Dandu
Chairman & Managing Director
DIN: 00073484

CERTIFICATE OF COMPLIANCE

TO THE MEMBERS OF DANLAW TECHNOLOGIES INDIA LIMITED

I have examined the compliance of the conditions of Corporate Governance by Danlaw Technologies India Limited for the year ended March 31, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company entered into with Stock Exchange.

The compliance conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Syed Meera Mohiddin
Company Secretary
M. No. 19395
C.P. No. 7813

Place: Hyderabad
Date: Aug 6, 2016

GENERAL SHAREHOLDER INFORMATION

(A) GENERAL INFORMATION

General information about the Company, viz., Contacts, Names of Directors, Compliance Officer, Management Team, Addresses of Registered Office, Subsidiary, Statutory Auditors, Bankers and Depository Registrars & Share Transfer Agents are provided at Page 2.

(B) OTHER INFORMATION

Annual General Meeting

Day	:	Friday
Date	:	30th September, 2016
Time	:	10.00 AM
Venue	:	Registered Office at Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034.
Dates of Book Closure	:	26th to 30th September, 2016 (both days inclusive)
Financial Year	:	1st April 2015 to 31st March 2016
Listing Details	:	Bombay Stock Exchange Limited
Stock Code	:	532329
ISIN for NSDL & CDSL	:	INE310B01013

(C) Market Price Data & Comparison with BSE Sensex

Month	Danlaw		Sensex	
	High	Low	High	Low
April 2015	26.15	18.60	29094.61	26894.54
May	24.00	16.15	28071.16	26423.99
June	21.85	16.15	27968.75	26307.07
July	41.45	18.00	28578.33	27416.39
August	50.25	32.30	28417.59	25298.42
September	56.90	26.50	26471.82	24833.54
October	73.95	58.00	27618.14	26168.71
November	89.95	56.25	26824.30	25451.42
December	113.80	85.10	26256.42	24867.73
January 2016	150.30	81.25	26197.27	23839.76
February	104.70	54.15	25002.32	22494.61
March	70.35	51.45	25479.62	23133.18

Source: www.bseindia.com

(D) Distribution of Shareholding as on March 31, 2016

Category	Shareholders	%	Share Amount INR	%
1 - 5000	2048	79.94	29,14,390	7.83
5001 - 10000	241	9.41	19,96,230	5.37
10001 - 20000	125	4.88	18,93,840	5.09
20001 - 30000	36	1.41	8,98,380	2.41
30001 - 40000	21	0.82	7,41,800	1.99
40001 - 50000	21	0.82	9,77,630	2.63
50001 - 100000	35	1.36	25,33,930	6.82
100001 & Above	35	1.36	2,52,46,800	67.86
Total	2562	100.00	3,72,03,000	100.00

(E) Categories of Shareholders as on March 31, 2016

Category	Shares	%
Promoters & Promoter Group	18,50,805	49.75
Banks / FIs / MFs / Governments	-	-
Bodies Corporate	2,70,054	7.26
NRIs / OCBs	24,609	0.66
Indian Public	15,65,051	42.07
Clearing Members	9,781	0.26
Total	37,20,300	100.00

(F) Shares & Dematerialization

As per SEBI Regulations, the shares of the Company are brought under compulsory dematerialized form. The shares can be traded in dematerialized form only. The Company has entered into agreements with NSDL and CDSL, whereby shareholders have the option to dematerialize their shares with either of the Depositories. The Depository Registrars & Share Transfer Agents, M/s. Karvy Computershare Private Limited, process the physical share transfers and demat / remat requests, with intimation to the Company. More than 99% of shares are dematerialized and there are no outstanding ADRs / GDRs or other instruments pending conversion into equity shares.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The financial statements have been prepared in compliance with Generally Accepted Accounting Principles (GAAP) in India. The financial statements for Danlaw Technologies Inc. (our US subsidiary) have been prepared in compliance with US GAAP. Our Management accepts full responsibility for the integrity of these financial statements.

Automotive Electronics Industry Insight

The transition towards advanced safety systems is expected to drive the global automotive electronics market over the next six years. Accident data recorder systems, alcohol ignition interlocks, and emergency call systems are an example of technologies where future demand is expected to spur market growth.

Key application segments include Advanced Driver Assistance System (ADAS), Infotainment, Body Electronics, Powertrain and most important of all Safety Systems. In order to curb the number of fatalities resulting from road accidents, regulatory boards of several countries have taken steps for incorporating safety devices in vehicles.

The U.S. Department of Transportation has mandated safety equipment such as a backup camera in all new vehicles. The DOT also maintains Federal Motor Vehicle Safety Standards and Regulations (FMVSS), which prescribe crash-avoidance components.

Growing demand for more interactive systems such as embedded vision systems capable of real-time image tracking has gained prominence. There has been an increase in adoption of green technologies owing to stringent government regulations.

The regulatory standards like emission standards; fuel economy targets; subsidies available for electric, hybrid, and alternative fuel vehicles; and governments mandating greener transport solutions have a significant impact on the automotive industry as a whole.

Analysts forecast global Electric Bus market to grow at a CAGR of 27% during the period 2016-2020.

Opportunities and Threats

Opportunities

Technology has grown by leaps and bounds in the auto electronics market over the decade. One of the primary reasons has been the gradual phase out of mechanical and hydraulic systems from vehicles and the advent of electronic or hybrid substitutes in passenger cars and commercial vehicles. The ultimate aim of the industry is an autonomous car electronically driven by the on-board computers. The vehicle should ideally navigate with the help of information received from its connected car network and from the internet of things. The technologies that are gradually pushing vehicular electronics toward this goal include drive-by-wire technologies that have been adopted from the aviation industry. Hybrid vehicular technologies are also significant and are considered middle ground between purely mechanical components and pure electronics.

Even though most of the new vehicles across the globe will be built with these technologies, there will be hundreds of millions of existing vehicles on the road that will not have the safety systems. This will provide us an opportunity to offer products and solutions to the aftermarket vehicles.

Threats, Risks and Concerns

The speed of technological change could pose a threat to the auto industry. A possible slowdown of auto industry is forecasted for 2018-2019 and this could impact our own growth.

While significant percentage of revenues is derived in US Dollars and most of our costs are in Indian rupees. The exchange rate between USD and Rupee has fluctuated significantly in recent years and may continue to fluctuate in the future. Currency fluctuations can adversely affect our gross margins.

The global economic uncertainties may lead to economic slowdown and hence our clients may defer their technology spending significantly. This may negatively affect our revenues and profitability.

These risks are broadly industry wide risks. We have taken steps to address these unforeseen events and minimize the impact on our company.

Performance and Outlook

The Engineering division continues to develop several hardware and software solutions to address the domestic opportunities. The products are being tested at several existing and potential customers.

While we continue to serve our existing automotive OEMs and Tier-1s with embedded software and testing services, we also place heavy emphasis on emerging technologies and opportunities. Our continued relationship with Danlaw Inc. enables us to stay in the forefront of the “connected vehicle” space

Business Outlook

We continue to expand our customer base and invest in the advanced technologies. These along with our continued commitment to customer satisfaction enables us to grow our revenues.

Internal Control System and its Adequacy

Your Company has a policy of maintaining effective internal control system and also focuses on strict implementation of these policies and procedures so as to safe guard the assets and interests of the Company.

Your Company has an Audit Committee comprising of two-thirds of Independent Directors of the Company. The findings of internal audit are periodically placed before the Audit Committee and the Board of Directors of the Company. The Audit Committee also reviews periodically the performance of statutory and internal auditors, and adequacy of the internal control systems.

In order to ensure that the financial transactions comply with current legislative requirements and accounting standards, your Company has developed a Financial Accounting Procedure Manual (FAM). The FAM contains procedures, which cover the effective and efficient financial administration of the Company.

Financial Performance

During the year under review the Paid up Share Capital of the Company as on date is Rs. 3,72,03,000/ comprising of 37,20,300 Equity Share of Rs. 10/each. Your company hasn't gone for any issue of share during the fiscal year 2015-16.

The net sales for current year are Rs.1308.76 Lakhs as compared to Rs.1136.37 Lakhs in the last fiscal year. The net profit before extraordinary items and tax is Rs.330.63 Lakhs as compared to Rs.198.43 Lakhs in the previous FY. Net profit after tax and exceptional items is Rs.234.19 Lakhs as compared to Rs.188.07 Lakhs in the previous FY. Exceptional item in the previous year of Rs.65.94 represents the sale consideration of business division in the subsidiary.

Material Development In Human Resources

We are employee centric and believe that our employees are the heart of the organization. The management's responsibility is to care and support our employees. We continue to provide them with opportunities for career enhancement and growth. We continually strive to provide our employees with competitive compensation and benefit packages.

We are committed to provide the necessary training opportunities to enable them to adapt to the latest technological advancements. Additionally, we are taking steps to ensure the resources we have are utilized optimally.

As on date the Company has a total strength of 88 Employees.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Companies objectives, projections, estimated and expectations may be forward-looking statement. Actual results may vary materially from those expressed or implied.

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Raju S Dandu, Managing Director and A V R K Varma, Chief Financial Officer of Danlaw Technologies India Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Profit and Loss Account, its schedules & notes to the accounts and cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the 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 we 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 taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in internal control during the year;
 - b) significant changes in accounting policies during the year and the same have been disclosed in notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

PLACE : HYDERABAD
DATE : May 21, 2016

(RAJUSDANDU)
Chairman & Managing Director
DIN: 00073484

(AVRK VARMA)
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
M/s. Danlaw Technologies India Limited,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED**, ("the Company"), which comprise the Balance sheet as at 31st March, 2016, the Statement of Profit and Loss for the year then ended, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 misstatement.

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 financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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, the 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 aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial positions in its financial statements.

- (ii) The Company has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
- (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 2013.

Place: Hyderabad
Date: May 21, 2016

**For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S**

**(CA. RAMANA REDDY A.V.)
PARTNER
Membership No. 024329**

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements, of our report of even date)

- (I) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year as per a programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has not any granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) (b) and (c) are not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any loans, investments, guarantees, and security during the year as referred to in sections 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The maintenance of cost records has not prescribed by the Central Government under subsection (1) of section 148 of the Companies Act. Such accounts and records have been so made and maintained.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, wherever applicable, as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (viii) The company has not defaulted in repayment of loans or borrowings to financial institutions or banks.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3 (xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 188 of the Companies Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Hyderabad
Date: May 21, 2016

**For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S**

**(CA. RAMANA REDDY A.V.)
PARTNER
Membership No.024329**

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable

assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: May 21, 2016

**For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S**

**(CA. RAMANA REDDY A.V.)
PARTNER
Membership No.024329**

Balance Sheet as at

in Rs.

Particulars	Note No.	31-03-2016	31-03-2015
I. EQUITY AND LIABILITIES			
Shareholder's funds			
(1) (a) Share Capital	1	3,72,03,000	3,72,03,000
(b) Reserves and Surplus	2	21,09,42,008	19,19,32,227
(2) Current liabilities			
(a) Trade payables	3	31,92,267	25,82,757
(b) Other current liabilities	4	32,83,926	29,23,399
(c) Short-term provisions	5	34,69,474	27,85,556
TOTAL		25,80,90,675	23,74,26,939
II. ASSETS			
(1) Non-current assets			
(a) FIXED ASSETS			
(i) Tangible assets	6	58,19,989	67,80,812
(ii) Intangible assets		9,05,495	9,74,999
(b) Non-current investments	7	2,95,66,245	2,95,66,245
(c) Deferred tax assets (Net)	8	3,30,27,102	3,76,22,819
(d) Long-term loans and advances	9	36,61,463	23,97,427
(2) Current assets			
(a) Inventories	10	57,97,152	69,52,217
(b) Trade receivables	11	2,16,25,747	1,71,01,298
(c) Cash and cash equivalents	12	15,07,59,335	12,88,15,238
(d) Short-term loans and advances	13	69,28,147	72,15,884
TOTAL		25,80,90,675	23,74,26,939

See accompanying notes to the financial statements 18

The notes referred to above and additional information thereon form an integral part of the Balance Sheet

This is the Balance Sheet referred
to in our report of even date

for and on behalf of the Board

For M/s. RAMANA REDDY & ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999

Statement of Profit and Loss for the year ended

in Rs.

Particulars	Note No.	31-03-2016	31-03-2015
INCOME			
I. Revenue from operations	14	11,03,20,323	8,74,06,504
II. Other income	15	1,39,08,586	1,20,62,874
III. Total Revenue		12,42,28,909	9,94,69,378
IV. EXPENSES			
Cost of materials consumed		62,76,796	53,34,807
Purchases of Stock-in-Trade		1,03,56,812	91,78,954
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		6,36,267	(9,41,866)
Employee benefits expense		5,96,31,334	5,43,76,023
Finance costs	16	84,700	137
Depreciation and amortization expense		21,87,056	26,48,562
Other expenses	17	1,72,48,628	1,71,04,348
Total expenses		9,64,21,593	8,77,00,965
V. Profit / (Loss) before exceptional and extraordinary items and tax		2,78,07,316	1,17,68,413
VI. Exceptional Items		-	-
VII. Profit / (Loss) before and extraordinary items and tax		2,78,07,316	1,17,68,413
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax		2,78,07,316	1,17,68,413
X. Tax expense:			
(1) Current tax		56,86,057	25,86,797
(2) Deferred tax		31,11,478	(2,31,948)
XI. Profit / (Loss) for the period from continuing operations		1,90,09,781	94,13,564
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax)		-	-
XV. Profit / (Loss) for the period		1,90,09,781	94,13,564
XVI. Earnings per equity share:			
(1) Basic		5.11	2.53
(2) Diluted		5.11	2.53

See accompanying notes to the financial statements 18

The notes referred to above and additional information thereon form an integral part of the statement of Profit and Loss

This is the Profit and Loss Statement referred

to in our report of even date

for and on behalf of the Board

For **M/s. RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999

Notes to the Balance Sheet as at

in Rs.

	31-03-2016	31-03-2015	
1. SHARE CAPITAL			
AUTHORISED			
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000	
ISSUED, SUBSCRIBED AND PAID UP			
37,20,300 Equity Shares of Rs.10/- each Fully Paid	3,72,03,000	3,72,03,000	
	3,72,03,000	3,72,03,000	
RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT END OF REPORTING PERIOD			
	No of Shares	Value	Value
At the beginning of the period	37,20,300	3,72,03,000	3,72,03,000
Issued during the year	-	-	-
Outstanding at the end of period	37,20,300	3,72,03,000	3,72,03,000
The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.			
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY			
	%	No of shares	No of shares
Danlaw Systems India Ltd	39.29	14,61,592	14,61,592
2. RESERVES AND SURPLUS			
Capital Reserve		48,50,000	48,50,000
Securities Premium Reserve		26,58,07,400	26,58,07,400
Profit and Loss Account (opening balance)		(7,87,25,173)	(8,35,53,991)
Less: Carrying amount of assets whose useful life is Nil		-	(45,84,746)
Add: current year Profit / (Loss)		1,90,09,781	94,13,564
		21,09,42,008	19,19,32,227
3. TRADE PAYABLES			
Sundry Creditors		31,92,267	25,82,757
Outstanding dues of micro and small enterprises		-	-
		31,92,267	25,82,757
4. OTHER CURRENT LIABILITIES			
Advances from customers		8,63,841	17,83,692
Other liabilities		24,20,085	11,39,707
		32,83,926	29,23,399
5. SHORT-TERM PROVISIONS			
Accrued gratuity		7,83,417	1,98,759
Current year Income Tax		26,86,057	25,86,797
		34,69,474	27,85,556

Notes to the Balance Sheet as at

6. FIXED ASSETS

in Rs.

Assets	Gross Block				Depreciation				Net Block	
	Cost as at 31-03-2015	Additions during the year	Deductions during the year	Cost as at 31-03-2016	Total upto 31-03-2015	For the year	Deductions during the year	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
Tangible Assets										
Additions to Leasehold premises	14,84,850	-	-	14,84,850	3,99,239	49,446	-	4,48,685	10,36,165	10,85,611
Computers	32,82,201	2,66,085	-	35,48,286	22,26,069	6,10,175	-	28,36,244	7,12,042	10,56,132
Computer Servers	1,55,000	-	-	1,55,000	16,608	25,839	-	42,447	1,12,553	1,38,392
Office Equipment	2,16,803	43,375	-	2,60,178	1,26,176	44,905	-	1,71,081	89,097	90,627
Electrical Equipment	24,53,431	59,946	-	25,13,377	19,92,630	59,266	-	20,51,896	4,61,481	4,60,801
Lab Equipment	20,93,713	-	-	20,93,713	6,53,633	1,98,472	-	8,52,105	12,41,608	14,40,080
Furniture & Fixtures	84,13,293	67,153	-	84,80,446	81,48,787	35,397	-	81,84,184	2,96,262	2,64,506
Vehicles	45,44,721	-	-	45,44,721	23,00,058	3,73,882	-	26,73,940	18,70,781	22,44,663
Intangible Assets										
Computer Software	20,03,672	7,20,172	-	27,23,844	10,28,673	7,89,676	-	18,18,349	9,05,495	9,74,999
Grand Total	2,46,47,684	11,56,731	-	2,58,04,415	1,68,91,873	21,87,058	-	1,90,78,931	67,25,484	77,55,811
Previous Year	5,79,53,738	13,95,482	3,47,01,538	2,46,47,682	4,88,56,405	26,48,562	3,46,13,094	1,68,91,873	77,55,811	1,36,82,079

7.	NON-CURRENT INVESTMENTS		
	Investment in Danlaw Technologies Inc (Wholly owned subsidiary)	2,95,66,245	2,95,66,245
		2,95,66,245	2,95,66,245
8.	DEFERRED TAX ASSET (NET)		
	Fixed Assets	77,049	(32,177)
	Others	3,29,50,053	3,76,54,996
		3,30,27,102	3,76,22,819
9.	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good:		
	Rent deposits	10,80,000	10,70,000
	Deposits with Government Agencies	4,86,205	4,84,205
	MAT Credit	20,95,258	8,43,222
		36,61,463	23,97,427
10.	INVENTORIES		
	(Valued at cost basis)		
	Raw materials	6,19,602	11,38,400
	Stock-in-trade	51,77,550	58,13,817
		57,97,152	69,52,217

		in Rs.	
11.	TRADE RECEIVABLES		
	Unsecured considered good		
	Outstanding for a period exceeding six months	6,14,947	14,01,176
	Others	2,10,10,800	1,57,00,122
		2,16,25,747	1,71,01,298
12.	CASH AND CASH EQUIVALENTS		
	Cash on hand	934	5,828
	Balances with banks		
	- in current accounts	64,86,284	46,56,622
	- in EEFC accounts	15,86,827	14,94,750
	- in deposit accounts with more than 12 months maturity	14,26,85,290	12,26,58,038
		15,07,59,335	12,88,15,238
13.	SHORT-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received		
	Earnest Money Deposit	90,270	45,204
	Advances for expenses	45,816	31,688
	Advances for purchases	-	28,070
	Prepaid Expenses	2,64,717	2,78,485
	Interest Receivable	16,83,603	14,66,617
	Tax Deduction at Source	25,12,216	32,50,655
	Service tax -input credit	20,62,970	19,01,118
	Addl Duty of Customs	2,68,555	2,14,047
		69,28,147	72,15,884
Notes to the Statement of Profit and Loss for the year ended			
		in Rs.	
14.	REVENUE FROM OPERATIONS		
	Sale of products	2,21,13,925	1,91,77,851
	Sale of services	8,82,06,398	6,82,28,653
		11,03,20,323	8,74,06,504
15.	OTHER INCOME		
	Profit on sale of fixed assets	-	2,06,886
	Interest Income	1,17,05,689	1,09,86,805
	Interest on IT Refund	1,15,049	-
	Exchange Gain (net)	20,87,848	8,68,580
	Miscellaneous Income	-	603
		1,39,08,586	1,20,62,874
16.	FINANCE COSTS		
	Interest on short terms borrowings from banks	3,949	137
	Interest on Income Tax	80,751	-
		84,700	137

17. OTHER EXPENSES

Advertisement	49,725	59,788
AGM Expenses	11,900	15,300
Auditors Remuneration	1,89,755	1,44,900
Bank charges and commission	1,18,116	96,123
Books & Periodicals	18,546	20,219
Business Development Expenses	38,758	1,82,782
Bad debts written off	65,353	4,70,117
Depository Registrar Fee	65,018	53,892
Directors sitting fee	2,50,000	1,35,000
Freight outward	2,39,710	2,09,850
Insurance Charges	1,04,757	97,535
Internet Service Charges	2,35,915	2,08,754
Professional Charges	2,04,921	1,57,353
Listing Fee	2,00,000	1,00,000
Managerial Remuneration	12,18,675	12,15,944
Membership Fee	14,664	14,438
Office Maintenance	17,32,987	15,97,791
Postage	68,158	52,929
Power and Fuel	14,75,642	19,07,470
Printing and Stationery	2,36,222	2,50,666
Registration, Licence & Filing Fee	2,59,141	2,45,922
Rent	59,65,140	55,67,200
Rates & Taxes	4,92,852	3,75,716
Sales commission	13,500	4,000
Sub-contract works	4,72,455	3,06,631
Telephone expense	4,51,897	3,80,622
Travel and Conveyance	30,54,821	32,33,406
	1,72,48,628	1,71,04,348

18. Additional Information

18.1 Disclosure of Accounting Policies

18.1.1 Basis for preparation of financial statements

The financial statements have been prepared under the historical convention and as a going concern as per the Generally Accepted Accounting Principles and the Provisions of the Companies Act, 2013. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

18.1.2 Revenue recognition

Revenue from software services is recognized on software developed and billed to clients as per terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the work completed. Revenue from sale of products is recognized when significant risks and rewards of ownership of goods have passed to the buyer and is disclosed net of Sales Tax, discounts and returns, as applicable.

18.1.3 Expenditure

Expenses are accounted on accrual basis.

18.1.4 Fixed assets

Fixed assets are stated at the cost of acquisition, less accumulated depreciation. Cost comprises of purchases and attributable cost.

18.1.5 Inventory

Inventory is valued at cost and work-in-progress is valued at cost or realizable value whichever is less.

18.1.6 Depreciation

Depreciation on fixed assets is calculated on the useful life as provided in the Companies Act, 2013. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. Intangible assets i.e. computer software useful life is taken as 3 years.

18.1.7 Foreign currency transactions

In the case of sales/services made to clients outside India, income is accounted on the basis of the exchange rate as on the date of the transaction. Adjustments are made for any variations in the sale proceeds on conversion into India currency upon actual receipt.

In the case of expenditure in foreign currency, the expenses are accounted on the basis of exchange rate as on the date of the transaction. In case expenses are met out of EEFC accounts, the same is accounted for the rate at which the EEFC funds are maintained in the books of account.

18.1.8 Investments

Long-term investments are stated at cost. The short-term investments are valued and carried at cost or fair value whichever is lower. Provision will be made for decline, other than temporary, in the value of investments.

18.1.9 Segment reporting

The company's sales are basically related to providing software services delivered to customers situated at USA. Hence the primary and secondary segment reporting is based on the software development services to USA only.

18.1.10 Cash Flow Statement

Cash flow statement is prepared to report the cash flows during the period classified by operating, investing and financing activities.

18.1.11 Accounting for Taxes

Current income tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum alternative tax (MAT) in accordance with tax laws is recognised as an asset which will be adjusted against future income tax liability.

Deferred tax expense or benefit is recognised on timing differences being the difference between

taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

18.1.12 Earnings per share (EPS)

EPS is calculated in accordance with Accounting Standard 20 (AS20) by dividing the net profit or loss for the period attributable to equity shareholders with the weighted average number of equity shares outstanding.

18.1.13 Retirement Benefits

Gratuity: Liability towards gratuity is provided on the basis of actual valuation made by an independent actuary and is funded through Gratuity Trust in the LIC group gratuity scheme with insurance cover.

Provident Fund : Contributions paid to prescribed authority are charged to revenue every year.

18.2. Notes to Accounts

Year ended March, 31		2016	2015
18.2.1	Employee Benefit Expense		
	Salaries & wages	5,28,31,659	4,87,47,279
	Contribution to Provident Fund	32,30,259	28,75,437
	Contribution to ESI	30,935	54,258
	Gratuity	12,00,000	7,54,939
	Group gratuity insurance	60,968	54,465
	Group medical insurance	4,68,801	3,76,383
	Overseas medical insurance	5,000	5,000
	Reimbursement of medical expense	2,350	1,90,308
	Staff Recruitment and Training	96,728	91,425
	Staff welfare expense	17,04,634	12,26,529
		5,96,31,334	5,43,76,023
18.2.2	Exchange Gain:		
	Net gain on foreign currency transaction and translation	20,87,848	8,68,580
18.2.3	Payments to auditor		
	Statutory audit fees	1,67,640	1,33,100
	Certification fees	17,115	9,000
	Out of pocket expenses	5,000	2,800
		1,89,755	1,44,900
18.2.4	Purchases/Sales/Consumption under broad heads		
	a) Automotive/industrial hardware		
	Purchase of electronic components for hardware	16,77,286	17,31,571
	Consumption	16,17,974	17,08,761
	Sales of electronic hardware (exports)	37,37,927	33,74,003
	b) Electronic Hardware		
	Purchase of electronic components for hardware	33,01,096	40,44,354
	Consumption	38,79,206	31,62,382
	Sales of electronic hardware (Domestic)	40,25,000	46,50,000

in Rs.

c) Traded goods		
Purchases		
1) Access control and Time & Attendance systems	48,92,457	31,52,741
2) CCTV systems	21,89,307	23,15,658
3) Fire Alarm systems	65,779	3,64,463
4) Intruder detection Systems	7,825	17,315
5) Tracking Systems	32,01,444	33,28,777
	1,03,56,812	91,78,954
Cost of goods sold		
1) Access control and Time & Attendance systems	47,23,922	44,21,691
2) CCTV systems	24,46,193	21,37,428
3) Fire Alarm systems	1,48,879	2,48,713
4) Intruder detection Systems	7,670	12,264
5) Tracking Systems	36,66,414	14,16,992
	1,09,93,078	82,37,088
Sales		
1) Access control and Time & Attendance systems	64,73,672	61,86,098
2) CCTV systems	33,39,436	28,97,243
3) Fire Alarm systems	2,60,790	4,69,807
4) Intruder detection Systems	13,700	18,900
5) Tracking Systems	42,63,400	15,81,800
	1,43,50,998	1,11,53,848
c) Services		
1) Export sales of software services (automotive domain)	8,08,02,765	6,29,42,476
2) Domestic software services (Information Technology)	10,32,277	47,000
3) Annual maintenance services	56,35,686	46,09,837
4) Service calls	74,335	1,35,742
5) Installation services	6,61,335	4,93,598
	8,82,06,398	6,82,28,653
18.2.5 Consumption of stores and spare parts	7,79,616	4,63,664
Power and fuel	14,75,642	19,07,470
Rent	59,65,140	55,67,200
Repairs to machinery	3,26,035	2,98,486
Insurance	1,04,757	97,535
Rates and taxes	4,92,852	3,75,716
18.2.6 Value of imports on C.I.F basis (Forex Outflow)		
Rawmaterials	13,94,018	18,66,152
Components and spare parts	5,19,283	98,462
Traded goods	49,99,428	29,88,605
	69,12,729	49,53,219

18.2.7	a) Total value of imported raw materials, components consumed	24,90,425	13,63,680
	b) Total value of indigenous raw materials, components consumed	30,06,755	35,07,463
	Total consumption	62,76,796	53,34,807
	Percentage to the total consumption		
	Imports	39.68%	25.56%
	Indigenous	47.90%	65.75%
18.2.8	Earnings in foreign exchange (Forex Inflow)		
	Exports	8,45,40,692	6,63,16,479
18.2.9	Taxes on Income as per Accounting Standard 22		
	In accordance with the Accounting Standard (AS)22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, an amount of Rs.31,11,478/- has been recognized as Deferred Tax Liability accrued during the year . Thus net Deferred Tax Liability of Rs.31,11,478/- charged in Profit & Loss Account		
	b)Major components of deferred tax assets on accounting of timing differences are -		
	Fixed Assets	1,09,226	6,67,227
	Others	(32,20,704)	(4,35,279)
	Total	(31,11,478)	2,31,948
18.2.10	Managerial Remuneration		
	The following managerial remuneration was paid as per board of director's decision and approved by shareholders.		
	Salary	10,80,000	10,80,000
	Contribution to PF	1,29,600	1,29,600
	Medical	9,075	6,344
	Total	12,18,675	12,15,944
18.2.11	Contingent Liabilities:		
	Bank Guarantees	26,27,823	16,34,963
18.2.12	Earnings per share:		
	Profit / (Loss) for the period	1,90,09,781	94,13,564
	Number of equity shares outstanding at the beginning of the period fully paid (Rs.10 per share)	37,20,300	37,20,300
	Number of equity shares outstanding at the beginning of the period fully paid (Rs.10 per share)	37,20,300	37,20,300
	Weighted average number of equity shares outstanding	37,20,300	37,20,300
	EPS	5.11	2.53
18.2.13	Disclosure under Macro, Small and Medium Enterprises Development Act, 2006 There are no Micro, Small Scale Business Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		

18.2.14 The Company has overdraft facility with HDFC Bank Ltd to the extent of Rs.2.70 crores against the security of Company's term deposits of Rs.3.00 crores with them.

18.2.15 Related Party Transaction

	Related Party Transaction	Transactions for the year ended March 31		Balance as at March 31	
		2016	2015	2016	2015
	Sales & Services Danlaw Technologies Inc Danlaw Inc	2,63,47,415 5,81,93,277	4,02,44,903 2,85,34,786	60,72,280 1,16,07,575	46,39,286 -
	Remuneration Raju S Dandu	12,18,675	12,15,944	-	-
	Lease Rentals D Lakshmi DSN Raju	28,40,700 28,40,700	27,05,400 27,05,400	2,25,141 2,25,141	2,25,141 2,25,141
	Investments Danlaw Technologies Inc	-	-	2,95,66,245	2,95,66,245
	The Transactions with related parties have been carried at arm's length price and also supported by the documentation reflecting the arm's length transaction				
18.2.16	Disclosure of Depreciation as per the Companies Act 2013				
	Useful life of various assets was revised in accordance with Schedule II of the Companies Act 2013. The change in useful life resulted in the completion of useful life of certain fixed assets before 31.03.2014. The written down value of the assets after retaining the salvage value was transferred to the opening balance of retained earnings in the previous year in the amount of Rs.45,84,746/-				
18.2.17	Depreciation Certain Assets which were old and not in use having net book value Nil have been retired in the previous year.				
18.2.18	Notes on accounts The previous year's figures have been regrouped, reclassified / restated, wherever necessary, to conform to the current year's classification.				

Signatures to Notes 1 to 18
for and on behalf of the Board

For **M/s. RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999

Statement of cash flows for the year ended

	in Rs.	
	31-03-2016	31-03-2015
Cash flows from operations		
Profit from operations	2,78,07,316	91,81,616
Depreciation and depletion	21,87,056	26,48,562
Income Taxes	(39,08,290)	-
Decrease (increase) in trade receivables	(45,24,449)	(83,95,832)
Decrease (increase) in loans and advances	(12,69,825)	(18,86,262)
Decrease (increase) in inventory	11,55,065	(15,04,446)
Increase (decrease) in current liabilities	9,70,037	18,20,989
Increase (decrease) in provisions	6,83,918	27,85,556
Net cash from operations	2,31,00,828	46,50,183
Cash flows from investing		
Proceeds of sale of fixed assets	-	88,444
Purchase of Fixed Assets	(11,56,731)	(13,95,482)
Net cash from investing	(11,56,731)	(13,07,038)
Total increase (decrease) in cash and equivalents during the year	2,19,44,097	33,43,145
Cash and equivalents at the beginning of the year	12,88,15,238	12,54,72,093
Cash and equivalents at the end of the year	15,07,59,335	12,88,15,238

These are the Cash Flow Statements referred to in our report of even date

for and on behalf of the Board

For **M/s. RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999

**Statement Pursuant to Section 212 of The Companies Act, 1956 relating
to the Company's interest in Subsidiary Company**

Name of the Subsidiary : Danlaw technologies, Inc.
 Financial year of the Subsidiary : April 2015 to March 2016
 Extent of holding Company's interest : 100%

**DANLAW TECHNOLOGIES INC.
DIRECTOR'S REPORT**

Your directors take pleasure in presenting the financial results of the company for the year 2015-2016.

No.	Particulars	In USD		Rs. in lakhs	
		2015-16	2014-15	2015-16	2014-15
1.	Revenue	725,270	1,076,891	473.01	656.40
2.	Cost of Sales	631,796	927,300	412.38	565.07
3.	Gross Profit	93,474	145,592	60.63	91.33
4.	General and Administrative Expenses	12,295	17,442	8.07	10.57
5.	Income from Operation	81,179	132,150	52.56	80.76
6.	Gain on Sale of Business Unit	-	110,356	-	65.94
7.	Income before Taxes	81,179	242,506	52.56	146.70
8.	Income Taxes	14,191	10,407	8.46	6.32
9.	Net Income	66,988	232,099	44.10	140.38
10.	Paid up equity share capital	640,000	640,000	295.66	295.66

Raju SDandu

President

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATE
ON WHOLLY OWNED SUBSIDIARY**

GRANT, MILLMAN & JOHNSON, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS
39475 W. THIRTEEN MILE ROAD, SUITE 200
NOVI, MICHIGAN 48377

Independent Accountant's Review Report

To the Board of Directors
Danlaw Technologies, Inc.
Novi, Michigan

We have reviewed the accompanying financial statements of Danlaw Technologies, Inc. (a wholly owned subsidiary of Danlaw Technologies India, Ltd.) as of March 31, 2016 and 2015, and the related statements of operations, stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

GRANT, MILLMAN & JOHNSON, P.C.

May 2, 2016

DANLAW TECHNOLOGIES, INC.
BALANCE SHEETS
March 31, 2016 and 2015

ASSETS

	2016	2015
Current Assets:		
Cash	\$ 602,442	\$ 72,315
Accounts Receivable	11,500	17,250
Accounts Receivable - Affiliate	206,992	648,464
Prepaid Taxes	10,261	1,700
Total Current Assets	\$ 831,195	\$ 739,729

LIABILITIES AND STOCK HOLDER'S EQUITY

Current Liabilities:		
Accounts Payable - Affiliate	\$ 15,596	\$ 21,287
Accounts Payable - Parent	91,754	75,252
Accrued Payroll and Payroll Taxes	4,960	7,793
Accrued Federal Taxes	16,700	1,200
Total Current Liabilities	129,010	105,532
Stockholder's Equity:		
Common Stock - \$10 Par Value; 34,000 Shares		
Authorized, Issued and Outstanding	340,000	340,000
Additional Paid-in Capital	300,000	300,000
Retained Earnings (Accumulated Deficit)	62,185	(5,803)
Total Stockholder's Equity	702,185	634,197
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 831,195	739,729

See accompanying notes and independent accountant's review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
For the Years Ended March 31, 2016 and 2015

	2016	2015
Revenue:		
Automotive Electronics	\$ 643,249	\$ 885,805
Placement Services	82,020	171,210
ESAP sp Sales	-	19,876
Total Revenue	725,269	1,076,891
Cost of Sales:		
Subcontract Work - Parent	361,912	579,116
Subcontract Work - Affiliate	5,500	5,267
Cost of Products - Parent	47,500	67,485
Other	59	78
Engineering Salaries	191,257	199,372
Billing Salaries	-	38,080
Payroll Taxes	14,417	18,240
Employee Benefits	11,150	19,662
Total Cost of Sales	631,795	927,300
Gross Profit	93,474	149,591
General and Administrative Expenses:		
Business Development	-	285
Travel & Lodging	-	510
Payroll Preparation	1,309	1,286
Telephone	-	1,677
Professional Services	4,645	4,470
Server Hosting	-	1,050
Insurance	-	(13)
Office Supplies and Expenses	-	1,842
Bank Charges	141	124
Management Fee	6,200	6,210
Total General and Administrative Expenses	12,295	17,441
Income from Operations	81,179	132,150
Gain on Sale of Assets	-	110,356
Income Before Taxes	81,179	242,506
Federal Income Tax	17,523	1,200
State Income Tax (Benefit)	(4,332)	9,207
NET INCOME	\$ 67,988	\$ 232,099

See accompanying notes and independent accountant's review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
For the Years Ended March 31, 2016 and 2015

	Retained Earnings (Deficit)	Additional Paid-in Capital	Common Stock	Total
Balance March 31, 2014	\$ (237,902)	\$ 300,000	\$ 340,000	\$ 402,098
Net Income	232,099	-	-	232,099
Balance March 31, 2015	(5,803)	300,000	340,000	634,197
Net Income	67,988	-	-	67,988
Balance March 31, 2016	\$ 62,185	\$ 300,000	\$ 340,000	\$ 702,185

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Net Income	\$ 67,988	\$ 232,099
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Gain on Sale of Assets	-	(110,356)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	447,222	(351,748)
Inventory	-	11,875
Prepaid Taxes	(8,561)	200
Accounts Payable	10,811	83,750
Accrued Payroll and Payroll Taxes	(2,833)	2,593
Accrued State Taxes	-	(8,467)
Accrued Federal Taxes	15,500	1,200
Net Cash Provided by (Used in) Operating Activities	530,127	(138,854)
Cash Flows from Investing Activities:		
Proceeds from Sale of Assets	-	111,161
Net Cash Provided by Investing Activities	-	111,161
Increase (Decrease) in Cash	530,127	(27,693)
Cash at Beginning of Year	72,315	100,008
Cash at End of Year	\$ 602,442	\$ 72,315
Supplemental Disclosures of Cash Flow Information		
Cash Paid for Federal Income Tax	\$ 2,024	\$ -
Cash Paid for State Income Tax	\$ 4,229	\$ 17,563

See accompanying notes and independent accountant's review report.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements
March 31, 2016 and 2015

NOTE 1 - Summary of Accounting Policies:

Business Activity

The Company is in the business of providing engineering and software development consulting services. Danlaw Technologies, Inc. (DTI) is a wholly owned subsidiary of Danlaw Technologies India, Ltd., a foreign corporation organized in India. DTI was incorporated in September 2001 to market engineering and information technology services to customers in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition Policy

The Company's policy is to recognize revenue as services are provided. Revenue is calculated based on the hours of service provided at contractual rates and adjusted for expected realization upon final invoicing.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash includes amounts in corporate bank accounts, which may exceed the Federal Deposit Insurance Corporation insurance limit.

Accounts Receivable and Concentration of Credit Risk

At March 31, 2016 and 2015, the Company's accounts receivable were due mainly from affiliates and concentrated in the automotive supplier and manufacturer market. Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial tax reporting. Deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

DANLAW TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
March 31, 2016 and 2015

NOTE 1- Summary of Accounting Policies (Continued):

Income Taxes

Federal income taxes are reflected in the financial statements in accordance with FASB ASC 740. The Company has adopted the provisions of FASB ASC Section 740 regarding uncertain tax positions. As a result, the Company recognizes tax benefits of tax positions that have a greater than fifty percent likelihood of being sustained upon examination by taxing authorities. The Company's policy is to include interest and penalties related to income tax issues in income tax expense on the statement of operations.

Subsequent Events

Management has evaluated events and transactions through May 2, 2016, the date the financial statements were available to be issued.

NOTE 2- Income Taxes:

The provision for Federal income tax for 2016 and 2015 is based on taxable income at statutory rates, less application of the net operating loss carryover available in 2015. The provision or benefit for state income tax is based on taxes assessed at statutory rates.

Management has reviewed the Company's tax positions and concluded that there are no significant uncertain tax positions that are required to be recognized in the financial statements. The Company does not have any unrecognized tax benefits which would impact the effective income tax rate. The total amount of interest and penalties relating to income taxes was not material.

The Company files income tax returns with various federal and state tax jurisdictions. Tax returns filed with the Internal Revenue Service for the years 2013 - 2015 are subject to examination. Tax returns filed with the various states for the years 2012 - 2015 are subject to examination.

As of December 31, the components of the Federal income tax expense (benefit) are as follows:

	2016	2015
Current Tax Expense:		
Tax on income at statutory rates	\$ 17,523	\$ 46,200
Benefit of net operating loss carryover	-	(45,000)
Total	\$ 17,523	\$ 1,200

DANLAW TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
March 31, 2016 and 2015

NOTE 3 - Related Party Transactions:

The Company is related by common ownership to Danlaw Technologies India, Ltd. and by common management to Danlaw, Inc. The following schedule summarizes transactions and outstanding balances with the related entities:

Transactions for the years ended March 31:

	2016	2015
<u>Sales</u>		
Danlaw Inc.	\$ 670,070	\$ 993,763
<u>Purchases</u>		
Danlaw Technologies India, Ltd.	\$ 409,413	\$ 636,290
Danlaw, Inc.	\$ 5,500	\$ 5,267
<u>Administration Fees</u>		
Danlaw, Inc.	\$ 6,200	\$ 6,200
<u>Accounts Receivable</u>		
<u>Danlaw, Inc.</u>	\$ 206,088	\$ 647,560
<u>Azuga, Inc.</u>	\$ 904	\$ 904
<u>Accounts Payable</u>		
Danlaw Technologies India, Ltd.	\$ 91,754	\$ 75,252
Danlaw, Inc.	\$ 15,596	\$ 21,287

NOTE 4- Retirement Plan

The Company maintains a 401(k) Profit Sharing Plan available to all employees meeting certain age and service requirements. The plan allows employees to contribute up to 15% of their salary to the plan, subject to Internal Revenue Code limitations. The Company may elect to match a portion of the employees' contributions to the plan and may contribute additional amounts at its discretion. There were no employer contributions for the years ended March 31, 2016 and 2015.

NOTE 5 - Business Sale:

Effective April 15, 2014, the Company sold the education billing services division. The contracted sales price of 1,15,000 was adjusted \$ 111, 161 after consideration of certain contingencies. The net gain on sale of the division was \$ 110,356, which is included in the statement of operations. The agreement also required the Company to continue paying certain employee salaries through June 30, 2014, which amounted to approximately \$ 36,000. The Company elected early adoption of Accounting Standards Update (ASU) 2014-08 "Presentation of Financial Statements". Management determined that the educational billings services division did not have a major effect on the operations of the company. The division has not been classified as a discontinued operation.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of
M/s. Danlaw Technologies India Limited.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. Danlaw Technologies India Limited, ("the Holding Company") and its subsidiary, Danlaw Technologies Inc., which comprise the consolidated balance sheet as at 31st March, 2016, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that gives a true and fair view 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2016;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2016 and taken on record by the Board of Directors of the holding company and report of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company of the group and the operating effectiveness of such controls, refer to our separate report in the "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements does not have any pending litigations which would impact its

financial positions in its consolidated financial statements.

- (ii) The Group has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
- (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the group in accordance with the relevant provisions of the Companies Act, 2013.

Other Matters

We did not audit the financial Statements / financial information of certain subsidiary's, whose financial statements reflect total assets of \$ 8,31,195 as at 31st March, 2016, total revenue of \$ 7,25,269 and net cash flows from operating activities amounting to \$5,30,127 for the year ended on that date, as considered in the consolidated financial statements.

The subsidiary's financial statements / financial information have been audited by the other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements is based solely on the report of the others.

Our report is not qualified in respect of other matters.

Place: Hyderabad
May 21, 2016

**For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 003246S**

**(CA. RAMANA REDDY A.V.)
PARTNER
Membership No. 024329**

ANNEXURE - A TO THE CONSOLIDATED AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the group as of and for the year ended 31.03.2016, we have audited the internal financial controls over financial reporting of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company") and its subsidiary companies which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the holding company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the group internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the group internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

The group internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The group internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and Its Subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
May 21, 2016

**For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 003246S**

**(CA. RAMANA REDDY A.V.)
PARTNER
Membership No.024329**

Consolidated Balance Sheet as at

		<i>in Rs.</i>	
Particulars	Note No.	31-03-2016	31-03-2015
1. EQUITY AND LIABILITIES			
Shareholder's funds			
(1) (a) Share Capital	1	3,72,03,000	3,72,03,000
(b) Reserves and Surplus	2	22,78,46,366	20,14,64,228
(2) Current liabilities			
(a) Trade payables	3	53,29,616	38,95,101
(b) Other current liabilities	4	36,12,179	34,03,837
(c) Short-term provisions	5	34,69,474	28,59,536
TOTAL		27,74,60,635	24,88,25,702
II. ASSETS			
(1) Non-current assets			
(a) FIXED ASSETS			
(i) Tangible assets	6	58,19,988	67,80,812
(ii) Intangible assets		9,05,495	9,74,999
(b) Deferred tax assets (Net)	7	3,30,27,102	3,76,22,819
(c) Long-term loans and advances	8	36,61,463	23,97,427
(2) Current assets			
(a) Inventories	9	57,97,152	69,52,217
(b) Trade receivables	10	3,00,13,268	5,35,03,281
(c) Cash and cash equivalents	11	19,06,28,947	13,32,73,458
(d) Short-term loans and advances	12	76,07,220	73,20,689
TOTAL		27,74,60,635	24,88,25,702
See accompanying notes to the financial statements	17		

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet

This is the Balance Sheet referred

to in our report of even date

For **M/s. RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

for and on behalf of the Board

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)

Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999

Consolidated Profit and Loss Statement for the period ended

in Rs.

Particulars	Note No.	31-03-2016	31-03-2015
III. INCOME			
I. Revenue from operations	13	13,08,75,732	11,36,36,948
II. Other income	14	1,39,08,586	1,20,62,874
III. Total Revenue		14,47,84,318	12,56,99,822
IV. EXPENSES			
Cost of materials consumed		62,76,796	53,34,807
Purchases of Stock-in-Trade		1,03,56,812	91,78,954
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		6,36,267	(9,41,866)
Employee benefits expense		7,37,59,400	7,11,46,907
Finance costs	15	84,700	137
Depreciation and amortization expense		21,87,056	26,48,562
Other expenses	16	1,84,20,370	1,84,88,870
Total expenses		11,17,21,401	10,58,56,371
V. Profit before exceptional and extraordinary items and tax		3,30,62,917	1,98,43,451
VI. Exceptional Items		-	65,93,982
VII. Profit before extraordinary items and tax		3,30,62,917	2,64,37,433
VIII. Extraordinary Items		-	-
IX. Profit before tax		3,30,62,917	2,64,37,433
X. Tax expense:			
(1) Current tax		65,32,598	32,18,880
(2) Deferred tax		31,11,478	44,11,453
XI. Profit for the period from continuing operations		2,34,18,841	1,88,07,100
XII. Profit / (loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (loss) from discontinuing operations after tax		-	-
XV. Profit for the period		2,34,18,841	1,88,07,100
XVI. Earnings per equity share:			
(1) Basic		6.29	5.06
(2) Diluted		6.29	5.06
See accompanying notes to the financial statements	17		

The schedules referred to above and the notes thereon form an integral part of the Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our report of even date

for and on behalf of the Board

For M/s. **RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999

Notes to the Consolidated Balance Sheet as at

	in Rs.	
	31-03-2016	31-03-2015
1. SHARE CAPITAL		
AUTHORISED		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
37,20,300 Equity Shares of Rs.10/- each Fully Paid	3,72,03,000	3,72,03,000
	3,72,03,000	3,72,03,000
2. RESERVES AND SURPLUS		
Capital Reserve	48,50,000	48,50,000
Securities Premium Reserve	26,58,07,400	26,58,07,400
Exchange Conversion Reserve	65,70,442	36,07,145
Profit and Loss Account (opening balance)	(7,28,00,317)	(8,70,22,671)
Less: Carrying amount of assets whose useful life is Nil	-	(45,84,746)
Add: current year Profit / (Loss)	2,34,18,841	1,88,07,100
	22,78,46,366	20,14,64,228
3. TRADE PAYABLES		
Sundry Creditors	53,29,616	38,95,101
Outstanding dues of micro and small enterprises	-	-
	53,29,616	38,95,101
4. OTHER CURRENT LIABILITIES		
Advances from customers	8,63,841	17,83,692
Other liabilities	27,48,338	16,20,145
	36,12,179	34,03,837
5. SHORT-TERM PROVISIONS		
Accrued Gratuity	7,83,417	1,98,759
Current year Income Tax	26,86,057	26,60,777
	34,69,474	28,59,536

Notes to the Consolidated Balance Sheet as at (Continued)

6. Notes to the Consolidated Balance Sheet as at

FIXED ASSETS

in Rs.

Assets	Gross Block				Depreciation				Net Block	
	Cost as at 31-03-2015	Additions during the year	Deductions during the year	Cost as at 31-03-2016	Total upto 31-03-2015	For the year	Deductions during the year	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
Tangible Assets										
Additions to Leasehold premises	14,84,850	-	-	14,84,850	3,99,239	49,446	-	4,48,685	10,36,165	10,85,611
Computers	32,82,201	2,66,085	-	35,48,286	22,26,069	6,10,175	-	28,36,244	7,12,042	10,56,132
Computer Servers	1,55,000	-	-	1,55,000	16,608	25,839	-	42,447	1,12,553	1,38,392
Office Equipment	2,16,803	43,375	-	2,60,178	1,26,176	44,906	-	1,71,082	89,096	90,627
Electrical Equipment	24,53,431	59,946	-	25,13,377	19,92,630	59,266	-	20,51,896	4,61,481	4,60,801
Lab Equipment	20,93,713	-	-	20,93,713	6,53,633	1,98,472	-	8,52,105	12,41,608	14,40,080
Furniture & Fixtures	84,13,293	67,153	-	84,80,446	81,48,787	35,397	-	81,84,184	2,96,262	2,64,506
Vehicles	45,44,721	-	-	45,44,721	23,00,058	3,73,882	-	26,73,940	18,70,781	22,44,663
Intangible Assets										
Computer Software	20,03,672	7,20,172	-	27,23,844	10,28,673	7,89,676	-	18,18,349	9,05,495	9,74,999
Grand Total	2,46,47,684	11,56,731	-	2,58,04,415	1,68,91,873	21,87,059	-	1,90,78,932	67,25,483	77,55,811
Previous Year	5,79,53,738	13,95,482	3,47,01,538	2,46,47,682	4,88,56,405	26,48,562	3,46,13,094	1,68,91,873	77,55,811	1,36,82,079

7. DEFERRED TAX ASSET (NET)

Fixed Assets	77,049	(32,177)
Others	3,29,50,053	3,76,54,996
	3,30,27,102	3,76,22,819

8. LONG-TERM LOANS AND ADVANCES

Secured, considered Good:		
Rent deposits	10,80,000	10,70,000
Deposits with Government Agencies	4,86,205	4,84,205
MAT Credit	20,95,258	8,43,222
	36,61,463	23,97,427

Notes to the Consolidated Balance Sheet as at

		in Rs.	
		31-03-2016	31-03-2015
9. INVENTORIES			
	(Valued at cost basis)		
	Raw materials	6,19,602	11,38,400
	Stock-in-trade	51,77,550	58,13,817
		57,97,152	69,52,217
10. TRADE RECEIVABLES			
	Unsecured considered Good		
	Outstanding for a period exceeding six months	6,14,947	14,01,176
	Others	2,93,98,321	5,21,02,105
		3,00,13,268	5,35,03,281
11. CASH AND CASH EQUIVALENTS			
	Cash on hand	934	5,828
	Balances with banks		
	- in current accounts	4,63,55,896	91,14,842
	- in EEFC accounts	15,86,827	14,94,750
	- in deposit accounts with more than 12 months maturity	14,26,85,290	12,26,58,038
		19,06,28,947	13,32,73,458
12. SHORT-TERM LOANS AND ADVANCES			
	Unsecured, considered Good		
	Advances recoverable in cash or in kind or for value to be received		
	Earnest Money Deposit	90,270	45,204
	Advances for expenses	45,816	31,688
	Advances for purchases	-	28,070
	Prepaid Expenses	2,64,717	2,78,485
	Interest Receivable	16,83,603	14,66,617
	Tax Deduction at Source	31,91,289	33,55,460
	Service tax -input credit	20,62,970	19,01,118
	Addl Duty of Customs	2,68,555	2,14,047
		76,07,220	73,20,689
13. REVENUE FROM OPERATIONS			
	Sale of products	2,26,12,656	1,97,54,100
	Sale of services	10,82,63,076	9,38,82,848
		13,08,75,732	11,36,36,948

Notes to the Consolidated Profit and Loss Statement

in Rs.

	31-03-2016	31-03-2015
14. OTHER INCOME		
Profit on sale of fixed assets	-	2,06,886
Interest Income	1,17,05,689	1,09,86,805
Interest on IT Refund	1,15,049	-
Exchange Gain (net)	20,87,848	8,68,580
Miscellaneous Income	-	603
	1,39,08,586	1,20,62,874
15. FINANCE CONSTS		
Interest on short terms borrowings from banks	3,949	137
Interest on Income Tax	80,751	-
	84,700	137
16. OTHER EXPENSES		
Advertisement	49,725	59,788
AGM Expenses	11,900	15,300
Auditors Remuneration	4,90,293	4,15,737
Bank charges and commission	1,27,281	1,03,805
Books & Periodicals	18,546	20,219
Business Development Expenses	38,758	1,99,816
Bad debts written off	65,353	4,70,117
Depository Registrar Fee	65,018	53,892
Directors sitting fee	2,50,000	1,35,000
Freight outward	2,43,651	2,14,553
Insurance Charges	1,04,757	97,535
Internet Service Charges	2,35,915	2,71,513
Professional Charges	2,90,661	2,35,958
Listing Fee	2,00,000	1,00,000
Managerial Remuneration	12,18,675	12,15,944
Membership Fee	14,664	14,438
Office Maintenance	21,45,040	20,35,245
Postage	68,158	1,02,330
Power and Fuel	14,75,642	19,07,470
Printing and Stationery	2,36,222	2,50,666
Registration, Licence & Filing Fee	2,59,141	2,46,520
Rent	59,65,140	55,67,200
Rates & Taxes	4,92,852	3,75,716
Sales commission	13,500	4,000
Sub-contract works	8,32,760	6,29,079
Telephone expense	4,51,897	4,81,244
Travel and Conveyance	30,54,821	32,65,785
	1,84,20,370	1,84,88,870

17. Additional Information for the consolidated financial statements

17.1 Significant Accounting Policies and Notes On Accounts:

17.1.2 Scope of Business units

Danlaw Technologies India Limited is a company engaged in providing technology services in the area of engineering services, internet, developing software products software services and security solutions for the clients. The Company has also entered into the business of biometric products providing security solutions to the clients. The company has a single subsidiary at USA in the name of 'Danlaw Technologies Inc' for promoting the services provided by the Danlaw Technologies India Limited to IUS clients. The subsidiary is wholly owned by the company by virtue of its total holding of equity of the subsidiary. The Danlaw Technologies Inc (DTI) is basically engaged in providing Engineering software development and consultancy services to USA clients. The wholly owned subsidiary of the company together with the parent shall hereinafter be referred as Danlaw for the purposes of consolidated accounts. The accounting year of the parent company and the US subsidiary is the same i.e. from April 1st to March 31st every year.

17.1.3 Basis for consolidation of financial statements

The consolidation of financial statements of Danlaw has been made as per the Generally Accepted Accounting Principles and the Provisions of the Accounting Standard 21 issued by the Institute of Chartered Accountants of India. The consolidation of accounts of Danlaw took place based on the audited financial statements of the parent by the statutory auditors of the company and reviewed financial statements of the subsidiary by the Certified Public Accounts of Michigan State. While consolidation inter company balances and transactions are eliminated in full. The consolidation is based on the concepts of accrual, going concern and conservatism. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.

17.1.4 Revenue recognition

Revenue from software developments services of Danlaw is recognized based on software developed and billed to clients considering the men and material used for the specific project. In the case of fixed-price contracts, revenue is recognized based on the of work completed.

17.1.5 Expenditure

All expenses of Danlaw are accounted on the accrual basis.

17.1.6 Fixed assets

Fixed assets are stated at the cost of acquisition, less accumulated depreciation. Cost comprises of purchases and attributable cost. Depreciation on fixed assets is provided based on the Companies Act 1956 for the Indian assets and for the assets of Subsidiary on declining/straight line methods over estimated lives of assets.

17.1.7 Foreign currency transactions

In the case of sales made to clients outside India for the parent, income is accounted on the basis of the exchange rate as on the date of transaction. Adjustments are made for any variations in the sale proceeds on conversion into Indian currency upon actual receipt. In the case of expenditure in foreign currency, the expenses are accounted on the basis of exchange rate as on the date of the transaction. In case expenses are met out of EEFC accounts, the same is accounted for at the rate prevailing on the date of receipt of funds in EEFC account at the rate at which the EEFC funds are maintained.

The transactions of the subsidiary are in US dollars and Euro. There is no foreign currency transaction per se. But on account of consolidation all the outstanding entries of the subsidiary as on March 31, 2016 have been converted into Indian rupees and consolidation was affected.

17.1.8 Foreign currency translations

The accompanying financial statements of WOS are reported in U.S.dollars. The functional currency of the parent company in India is the Indian rupee ("Rs."). Hence translation of U.S.dollars to Rs is performed for balance sheet accounts using the exchange rate prevailing as at the balance sheet date, and for revenue and expense accounts using a quarterly average exchange rate for the respective quarters. The gains or losses resulting from such translation are reported as "Exchange conversion reserve", a separate component of reserves and surplus head in the consolidated accounts. The method of translating expenses of overseas operations depends upon the timing of the funds used. The balance sheet items of the WOS have been converted at the rate of Rs.66.18 per dollar. For conversion of the income statement, the statement figures have been segregated based on the quarter to which the transaction pertains and translated at the average quarterly exchange rate of Rs.63.50, Rs.64.91, Rs.65.93 & Rs.67.50 per US dollar for the respective quarters.

17.1.9 Investments

Long-term investments are stated at cost. The short-term investments of the parent company are valued and carried at cost or fair value whichever is lower. Provision will be made for decline, other than temporary, in the Value of investments. There is no income earning investments in the subsidiary.

17.1.10 Related party transactions

The company entered into related party transactions during the year with Danlaw Inc., USA. The CMD of the company is also CEO of the Danlaw Inc. The Danlaw Technologies Inc had sales of Rs.4,73,01,412/- during the year ended March 31, 2016 of which the sales made to the Danlaw Inc are Rs.4,36,96,271/-. During the year ended March 31, 2016 Danlaw Technologies Inc has purchased services of Rs.7,66,158/- from Danlaw Inc.

17.01.11 Exceptional Items: Effective April 15, 2014, the subsidiary sold the education billing division for which consideration of \$ 110,356 (Rs. 65.94 Lakhs) received and the same was shown in exceptional items, in previous year

Signatures to Notes 1 to 17

for and on behalf of the Board

For M/s. **RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Consolidated Statement of cash flows for the year ended March 31

	in Rs.	
	31-03-2016	31-03-2015
Cash flows from operations		
Profit from operations	3,30,62,917	2,32,18,553
Depreciation and depletion	21,87,056	26,48,562
Income Taxes	(39,08,290)	-
Decrease (increase) in trade receivables	2,53,13,244	(2,51,18,820)
Decrease (increase) in loans and advances	(15,50,567)	(19,79,285)
Decrease (increase) in inventory	11,55,065	(8,04,890)
Increase (decrease) in current liabilities	16,42,857	27,91,920
Increase (decrease) in provisions	6,09,938	24,60,892
Net cash from operations	5,85,12,220	32,16,932
Cash flows from financing investing		
Proceeds of sale of fixed assets	-	88,444
Purchase of Fixed Assets	(11,56,731)	(13,95,482)
Net cash from investing	(11,56,731)	(13,07,038)
Total increase (decrease) in cash and equivalents during the year	5,73,55,489	19,09,894
Cash and equivalents at the beginning of the year	13,32,73,458	13,13,63,564
Cash and equivalents at the end of the year	19,06,28,947	13,32,73,458

These are the Cash Flow Statements referred to in our report of even date

for and on behalf of the Board

For **M/s. RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

M.A. ASHOK KUMAR
Director
DIN: 00045549

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 21, 2016

AVRK VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No. ACS30999



DANLAW TECHNOLOGIES INDIA LIMITED

CIN: L72200TG1992PLC015099

Regd. Office : 43, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034

Telephone No: 040 - 23542499, Fax No: 040 - 23541671,

email: info@danlawinc.com, website: www.danlawtechnologies.com

ATTENDANCE SLIP

I/We here by record my/our presence at the 23rd Annual General Meeting of the Company being held on 30th September 2016 at 10.00 a.m. at its registered office.

Members Folio / DP ID-Client ID No.

Member's/Proxy's name in Block Letters

Signature of Member/ Proxy

Regd.folio/*Client ID :

*Applicable for members holding shares in electronic form.

Note: To be signed and handed over at the entrance of the Meeting Venue



DANLAW TECHNOLOGIES INDIA LIMITED

CIN: L72200TG1992PLC015099

Regd. Office : 43, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034

Telephone No: 040 - 23542499, Fax No: 040 - 23541671,

email: info@danlawinc.com, website: www.danlawtechnologies.com

FORM No. MGT-11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Danlaw Technologies India Limited	
Registered Office : 43, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034	
Name of the Members (s)	
Registered Address	
E-mail Id	
Folio No/Client ID	
DP ID	

I/We, being the member (s) ofshares of the above named company, hereby appoint :-

1. of having e-mail idor failing him

2. of having e-mail idor failing him

3. of having e-mail idor failing him

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 23rd Annual General Meeting of the company, to be held on the 30th day of September, 2016 at 10.00 a.m. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1.	To Consider and adopt audited Financial Statements, Reports of the Board of Directors and Auditors thereon.		
2.	To ratify the Appointment of Auditors of the Company.		
Special Business			
3.	To Re-appoint Mr. Raju S Dandu as Managing Director		

Signed thisday of2016

Signature of Shareholder

Signature of Proxy Holder(s).....

Affix One
Rupee
Stamp Here

Notes:

- The Proxy Duly completed should be deposited at the Registered office of the company not less than 48 (Forty Eight) hours before time fixed for holding the meeting.
- A Proxy need not be a member of the Company.
- A. Person can act as a Proxy on behalf of members not exceeding fifty and holding in the 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 share holder.
- 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the Joint holders should be stated.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User_Id	Password / PIN
EVENT_NO	USER_ID	PWD