Covering Letter to be filed with the stock exchanges as per Clause 31 of Equity Listing Agreement

FORM A

1.	*Name of the Company:*	DANLAW TECHNOLOGIES INDIA LIMTED
2.	*Annual financial statements for the year ended*	**31st March 2015**
3.	*Type of Audit observation*	**Un-qualified**
4.	*Frequency of observation*	**Not Applicable**

Raju S Dandu
Managing Director
DIN: 00073484

A V R K Varma
CFO

T Ravi Kumar
Audit Committee Chairman
DIN: 05306747

Ramana Reddy A.V
Auditor of the company
FRN: 003246S

From the CEO's desk....

Dear Stakeholders,

These are exciting times for our Automotive Electronics industry. The pace of innovation is breathtaking. Over the next few years the automotive OEMs will race to deploy connected-car technologies all over the globe.

With our commitment to excellence, deep domain expertise and a culture of innovation, Danlaw occupies a valuable position in the connected-car market place.

According to industry reports, the connected-car market is growing at a five-year compound annual growth rate of 45% - 10 times as fast as the overall car market. It is expected that 75% of the estimated 92 million cars shipped globally in 2020 will be built with internet-connection hardware.

Connected-car vehicles are out of reach for most car buyers, but they will drop significantly in the next few years. It is estimated that there will be 220 million connected cars on the road globally in 2020.

In US and Europe the operational trials using the VtoV (Vehicle To Vehicle) and VtoX (Vehicle to Infrastructure) communications are in full swing.

In the global automotive industry there are investments being made in these new technologies. The investments to build cloud infrastructure, data analytics, hybrid and EV technologies and autonomous driving features are growing significantly.

The R&D Spend is being driven by increased demand for embedded and software content. There are significant opportunities for technology solutions companies like us to participate in the $150+ Billion R&D globalization and services opportunity.

We are confident our strengths will lead to new opportunities with our existing and new customers while providing solid performance for stockholders, a rewarding environment for our team members.

Summary of financial results:

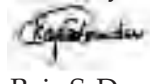
- Total revenue 995 lacs as compared to 956 lacs
- Profit after tax of 94 lacs vs. 40 lacs in FY 2013-14
- Danlaw Technologies Inc. our US WOS:
  - Total revenues of $1.076 million
  - Income from Operations $232 thousand vs. $323 thousand USD

In conclusion, I would like to place on record the contributions made by all of our employees. We certainly thank our customers and partners for the trust they place in us.

I thank the Board of Directors for their continued guidance.

All of us greatly appreciate and thank you, the shareholders, for the support you give us to deliver the results.
Warm Regards,

Sincerely,



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
Additional 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

DANLAW TECHNOLOGIES INDIA LIMITED

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NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Wednesday, the 30th day of September 2015 at 10.00 a.m. at the Registered Office of the Company at Plot No 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, 2015 including the audited Balance Sheet as at March 31, 2015, 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 third AGM of the Company to be held in the year 2016 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."

3. To re-appoint of Mr. Raju S Dandu as Director

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

   "**RESOLVED** that Mr. Raju S Dandu (DIN:00073484) who retires by rotation in compliance of Section 152 of the Companies Act, 2013 be and is here by re-appointed as Director of the Company".

SPECIAL BUSINESS

4. To regularize the appointment of Smt. P Sundaramma as an independent Director

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

"**RESOLVED** that Smt. P Sundaramma (DIN:02366355) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 25, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years for a term upto September 29, 2020 ".

Place: Hyderabad
Date: 25.07.2015

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 2015 to 30th September 2015 (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 2015, 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 Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot Number 31 & 32, Financial District, Gachibowli, Hyderabad 500 008, India. E-mail: einward.ris.@karvy.com

7. The Notice of the AGM along with the Annual Report 2014-15 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 2014-15 are being sent by the permitted mode.

8. Members may also note that the Notice of the AGM along with Annual Report 2014-15 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 Computershare 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 2015). 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. R. ChandraSekher on (040) 67161602

Place: Hyderabad
Date: 25.07.2015

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 Diretors 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

Pursuant to the provisions of section 149(1) read with second proviso of the Companies Act, 2013, which came in to effect from April 1, 2014, every listed public company is required to appoint woman director on its board

before March 31, 2015. In compliance of the said provisions Smt. P Sundaramma was appointed by the Board as additional director with effect from March 25, 2015, who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and is eligible for appointment as Independent Director. The Company has received a notice under Section 160 of the Act proposing her candidature for the office of Independent Director of the Company, along with the requisite deposit.

The Nominations Committee has recommended the appointment of Smt P Sundaramma as an Independent Director from September 30, 2015 up to September 29, 2020. She has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfils the conditions specified in the Act and Rules framed thereunder for appointment as Independent Director and she is independent of management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Smt. P Sundaramma as Independent Director is now being placed before Members for their approval.

A brief profile of the Smt P Sundaramma is given below:

Smt. **P Sundaramma** is a Chartered Accountant (Membership No. 217719) having more than 10 years of professional standing. She is also a qualified IFRS professional and hold diploma in information systems audit.

The main terms and conditions of appointment of Smt. P Sundaramma are given below.

A. Tenure of Appointment:
For a period of 5 years from the date of this AGM.

B. Nature of duties:
Guide the Board in monitoring the effectiveness of the Company's governance practices, in monitoring and managing potential conflicts of interest of management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions, in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit and the appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law of relevant standards.

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. 2 of the accompanying Notice.

Place: Hyderabad
Date: 25.07.2015

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, 2015. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2014-15			2013-14		
	DTIL	WOS	Cons.	DTIL	WOS	Cons.
Net sales/Income from operations	874.07	262.30	1136.37	833.55	434.44	1267.99
Other Income	120.63	-	120.63	122.23	-	122.23
Total Income	994.70	262.30	1257.00	955.78	434.44	1390.22
Cost of materials	135.72	-	135.72	178.92	4.72	183.64
Employee's Cost	543.76	167.71	711.47	504.42	194.81	699.23
Finance cost	-	-	-	0.35	-	0.35
Depreciation	26.49	-	26.49	22.60	0.30	22.90
Other Expenses	171.04	13.85	184.89	188.60	29.11	217.71
Total Expenses	877.01	80.74	198.43	894.89	228.94	1123.83
Profit / (Loss) before tax	117.69	80.74	198.43	60.89	205.50	266.39
Exceptional Items	-	65.94	65.94	-	-	-
Profit before extraordinary items and tax	117.69	146.68	264.37	60.89	205.50	266.39
Current Tax	25.87	6.32	32.19	1.53	8.67	10.20
Deferred Taxes	(2.32)	46.43	44.11	19.01	68.23	87.24
Profit / (Loss) after tax	94.14	93.93	188.07	40.35	128.60	168.95
Paid up equity share capital	372.03	295.66	372.03	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	1919.32	95.32	2014.64	1871.03	(14.60)	1856.43
Earnings per share	2.53		5.06	1.08		4.54

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 2014-15.

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 5% to Rs.874.07 lacs. The net Profit before Extraordinary items and Tax for the fiscal year is Rs.117.69 lacs as compared to a Profit of Rs.60.89 lacs in the previous year. Profit after Extraordinary items and tax for the fiscal year is Rs.94.14 lacs as compared to a Profit of Rs.40.35 lacs in the previous year. Your management continued to control the costs without compromising the future delivery capacity.

The other income of Rs.120.63 lacs includes about Rs.109.87 lacs of interest income, Rs.8.69 lacs of exchange gain and Rs.2.07 lacs of profit on sale of assets. 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. Effective April 15, 2014, the Company sold education billing services division for a consideration of $110,356 and the same was realized during the financial year.

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 ATG. 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	2014-2015 INR	2013-2014 INR
Earnings	6,63,16,479	5,89,97,632
Outgo	49,53,219	72,06,438

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. N Praveen Kumar – Independent Director
6. Mrs. P.Sundaramma – Additional Director
7. Mr. AVRK Varma – Chief Financial Officer (KMP)
8. Mrs. V .Padmaja – Company Secretary (KMP)

Pursuant to the provisions of Section 149 of the Act, Mr. MA Ashok Kumar, Mr. Naga Satyanarayana Sappata, Mr. T Ravi Kumar, Mr. N Praveen Kumar were appointed as independent directors at the annual general meeting of the Company held on September 30, 2014. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent directors during the year.

Further, during the financial year under review the following Appointment, Re-appointment, Change in Designation, Resignation of Directors have occurred:

1) Mrs. Sundaramma Patibandla was appointed as Additional Director on the Board of the Company with effect from 25th March, 2015 to comply with the second proviso of Section 149(1) of the Companies Act, 2013 relating to the mandatory appointment of woman director on board of a listed company. The resolution seeking approval of the Members for the appointment of Mrs. Sundaramma P has been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about her. The Company has received a notice under Section 160 of the Act along with requisite deposit proposing the appointment of Mrs. Sundaramma P.

2) Mr. Raju S Dandu was appointed as Managing Director for 5 years effective 1st April 2011. Since he is the only non-independent director and to comply with Section 152 of the Companies Act, 2013 he is to be treated as Director for the purpose of retirement by rotation. The resolution seeking approval of members for the re-appointment of Mr. Raju S Dandu as Director who retires by rotation is incorporated in the notice of the forthcoming annual general meeting.

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 2014-15, 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: 2.70
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: 97

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 2014-15 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 2014-15.

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 : July 25, 2015

By order of the Board
For Danlaw Technologies India Ltd.

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

ANNEXURE I

Form AOC-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.61.65 per USD
5.	Share capital	:	Rs.2,95,66,245
6.	Reserves & surplus	:	(Rs.3,57,755)
7.	Total Assets	:	Rs.4,56,04,293
8.	Total Liabilities	:	Rs.65,06,048
9.	Investments	:	Rs. Nil
10.	Turnover	:	Rs.6,56,39,649
11.	Profit before taxation	:	Rs.1,46,69,020
12.	Provision for taxation	:	Rs.52,75,484
13.	Profit after taxation	:	Rs.93,93,536
14.	Proposed dividend	:	Nil
15.	% of share holding	:	100%

ANNEXURE II

Form No. AOC-2

(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 2014-15.

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

On behalf of the board of directors,
July 25, 2015 Raju S Dandu
Chairman & Managing Director

Annexure III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31,2015
[Pursuant to Section92(3)of the Companies Act,2013 and rule12(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: 91 40 23542499, Fax :91 40 23541671
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 turn over 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 01.04.2014				No.of Shares held at the end of the year i.e 31.03.2015				% 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)	43000	0	43000	1.16	43000	0	43000	1.16	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)	**1770505**	**0**	**1770505**	**47.59**	**1770505**	**0**	**1770505**	**47.59**	**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)	1893805	0	1893805	50.90	1893805	0	1893805	50.90	0.000

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2014				No.of Shares held at the end of the year i.e 31.03.2015				% Change during the year
		Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
B.	Public Shareholding									
1.	Institutions									
a.	MutualFunds / 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)	0	0	0	0	0	0	0	0	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)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2.	Non- Institutions									
a.	Bodies Corporate	239057	1400	240457	6.46	194363	3200	195763	5.26	-0.12
b.	Individuals-									
i.	Individual shareholders holding nominal share capital up to`1 lakh	781917	18616	800533	21.52	788799	18616	807415	21.70	0.18
ii.	Individual shareholders holding nominal share capital in excess of `1 lakh	780638	0	780638	20.98	815131	0	815131	21.91	0.93
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other NRI	2968	0	2968	0.08	7442	0	7442	0.20	0.12
i.	Foreign Companies	0	0	0	0.000	0	0	0	0.000	0.000
ii.	Clearing Members/ Clearing House	1899	0	1899	0.05	744	0	744	0.02	-.03
	Sub-total (B) (2)	**1806479**	**20016**	**1826495**	**49.10**	**1806479**	**20016**	**1826495**	**49.10**	**0**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**1806479**	**20016**	**1826495**	**49.10**	**1806479**	**20016**	**1826495**	**49.10**	**0.000**
	TOTAL(A)+(B)	**3700284**	**20016**	**3702300**	**100.000**	**3700284**	**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**	**20016**	**3702300**	**100.000**	**3700284**	**20016**	**3720300**	**100.000**	

ii. Shareholding of Promoters

Sr. No.	Share holder's Name	Share holding at the beginning of the year 01.04.2014			Share holding at the end of the year 31.03.2015			% 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.	Pallalamma Dandu	46300	1.24	0.00	46300	1.24	0.00	0.00
8.	DCIT	43000	1.16	0.00	43000	1.16	0.00	0.00
9.	D Praveen Varma	39713	1.07	0	39713	1.07	0	0
10.	B V Ramana	8000	0.22	0.00	8000	0.22	0.00	0.00
	Total	**1893805**	**50.90**	**0**	**1893805**	**50.90**	**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 01.04.2014 to 31.03.2015			
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*	Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding end of the year 31-03-2015	
		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	143029	3.84
2.	Surendra Radheyshyam Bagaria	111500	3.00	111500	3.00
3.	Sanjay J Poddar	59000	1.59	59000	1.59
4.	K R Bharat	58000	1.56	58000	1.56
5.	Meher Anoop Malani	46819	1.26	46819	1.26
6.	Karthik Reddy A	42000	1.13	42000	1.13
7.	Thota Bikshapathi	0	0	40005	1.08
8.	Alice Joseph	51575	1.39	40000	1.08
9.	Softel Infra Private Limited	39051	1.05	39051	1.05
10.	Vibhava Mishra	38644	1.04	38644	1.04

*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-2014	At the beginning of the year	Nil	Nil	Nil	Nil
			31-Mar-15	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	6,344
	© 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)	**10,86,344**

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	20,000	—	20,000
	Mr. N S Sappata	45,000	—	45,000
	Mr. T Ravi Kumar	25,000	—	25,000
	Mr. K N Praveen Kumar	45,000	—	45,000
	Total (1)	**1,35,000**		**1,35,000**

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 asper provisions contained in Section 17(1) of the Income - tax Act, 1961	13,73,040	1,56,114	15,29,154
	b. Value of perquisites u/s 17(2) of the Income - tax Act, 1961	—	—	—
	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	**13,73,040**	**1,56,114**	**15,29,154**

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31,2015.

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]

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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, 2015 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, 2015 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 : 25.07.2015

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 : 25.07.2015

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 2014-2015 on 28th May 2014, 21st July 2014, 30th September 2014 , 20th October 2014 and 24th January 2015.

The particulars of directors, their attendance and other directorships, memberships /chairmanships of committees for the financial year 2014-2015 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	4	Yes	1	Nil	Nil
Naga Satyanarayana Sappata	Independent Non-executive	5	Yes	Nil	Nil	Nil
K N Praveen Kumar	Independent Non-executive	5	Yes	Nil	Nil	Nil
T Ravikumar	Independent Non-executive	3	Yes	Nil	Nil	Nil
P Sundaramma	Independent Non-executive	0	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, P Sundaramma and Mr. Raju S Dandu.

The Committee met four times during the financial year 2014-2015, on 28th May 2014, 21st July 2014, 20th October 2014 and 24th January 2015.

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, finalise 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 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 2014 - 2015:

Name	Salary	Contribution To PF	Perks	Sitting Fee	TOTAL
Raju S Dandu	10,80,000	1,29,600	6,344	-	12,15,944
M A Ashok Kumar	-	-	-	20,000	20,000
Naga Satyanarayana Sappata	-	-	-	45,000	45,000
K N Praveen Kumar	-	-	-	45,000	45,000
T Ravi Kumar	-	-	-	25,000	25,000

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 Computershare 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
2011-2012	AGM	14th August, 2012 Regd. Office 10.00 a.m.	1) Appointment of Mr. Ravi Kumar as Director
2012-2013	AGM	30th September, 2013 Regd. Office, 10.00 a.m.	1) Re-appointment of Mr. Naga Satyanarayana Sappata as Director
2013-2014	AGM	30th 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

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 2014-15 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, 2015. 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 18.2.16 of the 'Notes on Accounts' at page no. 50 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 Navatelangana 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 : July 25, 2015

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 conditions of corporate governance by Danlaw Technologies India imited for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listed 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 MeeraMohiddin
Company Secretary
Membership No. 19395
C.P. No. 7813

Place : Hyderabad
Date : 25.07.2015

GENERAL SHAREHOLDER INFORMATION

(A) 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	:	Wednesday
Date	:	30th September, 2015
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, 2015 (both days inclusive)
Financial Year	:	1st April 2014 to 31st March 2015
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 2014	10.40	8.30	22939.31	22197.51
May	11.50	8.50	25375.63	22277.04
June	11.50	8.71	25735.87	24270.20
July	14.47	10.00	26300.17	24892.00
August	14.60	9.50	26674.38	25232.82
September	21.45	13.00	27354.99	26220.49
October	23.30	16.65	27894.32	25910.77
November	23.00	15.30	28822.37	27739.56
December	23.05	13.75	28809.64	26469.92
January 2015	24.00	16.15	29844.16	26776.12
February	25.15	16.00	29560.32	28044.49
March	25.55	16.05	30024.74	27248.45

Source: www.bseindia.com

(D) Distribution of Shareholding as on March 31, 2015

Category	Shareholders	%	Share Amount INR	%
1 – 5000	1223	76.15	16,14,120	4.34
5001 – 10000	143	8.90	12,19,530	3.28
10001 – 20000	89	5.54	13,43,350	3.61
20001 – 30000	41	2.55	10,74,040	2.89
30001 – 40000	19	1.18	6,83,870	1.84
40001 – 50000	22	1.37	10,41,800	2.80
50001 – 100000	30	1.87	21,82,040	5.87
100001 & Above	39	2.43	2,80,44,250	75.38
Total	**1606**	**100.00**	**3,72,03,000**	100.00

(E) Categories of Shareholders as on March 31, 2015

Category	Shares	%
Promoters & Promoter Group	18,93,805	50.90
Banks / FIs / MFs / Governments	-	-
Bodies Corporate	1,95,763	5.26
NRIs / OCBs	7,442	0.20
Indian Public	16,22,546	43.62
Clearing Members	744	0.02
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.

Industry Overview

National Association of Software and Services Companies (NASSCOM)forecast Information Technology (IT) exports from India will grow by12-14%. Domestic revenues are estimated to grow by 9-12% compared to fiscal year 2014.

A gradual revival in consumer confidence leading to return of discretionary spending, and increased demand from US and Europe will help drive exports this year.

Opportunities and Threats

Opportunities

In the global automotive industry there are investments being made in new technologies and adoption of advanced vehicle features. We see investments growing in the connected-car space as well as the V2V (Vehicle to Vehicle) and V2X (Vehicle to Infrastructure) technologies.

The connected-car market is growing at a five-year compound annual growth rate of 45%.

The estimates are that 75% of the vehicles shipped globally in 2020 will be built with internet-connection hardware.

There are new investments being made to build cloud infrastructure, data analytics, and telematics. In addition the industry continues to invest in R&D to deliver hybrid and EV technologies as well as autonomous driving features. R&D spend is being driven by increased demand for embedded and software content.

Our company has the technology and expertise in the connected-car market and strives hard to seize the opportunities.

Our approach is to provide solutions and services that lead to differentiated business value. We achieve this by building skills/expertise internally. Wherever necessary, we also utilize external talent expertise in relevant industry domain as well as in specific technologies.

Threats, Risks and Concerns

While significant percentage of revenuesis 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 2014-15.

The net sales for current year are Rs.1136.37 Lakhs as compared to Rs.1267.99 Lakhs in the last fiscal year. The net profit before extraordinary items and tax is Rs.264.37 Lakhs as compared to Rs.266.39 Lakhs in the previous FY. Net profit after tax and exceptional items is Rs.188.07 Lakhs as compared to Rs.168.95 Lakhs in the previous FY. Exceptional item 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 91 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 2015 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 23, 2015

(RAJUSDANDU)
Chairman & Managing Director
DIN: 00073484

(AVRK VARMA)
Chief Financial Officer

DANLAW TECHNOLOGIES INDIA LIMITED

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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 , 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 7of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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 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 assessment, the auditor considers the internal financial controls 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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, 2015.
(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 the 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, 2015 (The order) issued by the central government of India in terms of Sub Section (11) of Section 143 of the Companies Act 2013, we give in the annexure a statement on the matters specified in Paragraph 3 and 4 of the said 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 purpose of our audit.

   (b) In our Opinion, Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, Statement of Profit and Loss, and the cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

Place: Hyderabad
Date: 23.05.2015

For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 003246S

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

ANNEXURE 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)

1. (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.

2. (a) The inventories of the company has been physically verified by the management at regular intervals during the year.

   (b) In our Opinion and according to the information and explanations given to us, the procedures of physical Verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   (c) On the basis of our examination of records of stock, in our opinion, the company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on such physical of inventory as compared to the book records.

3. The Company has not granted any 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) and (b) are not applicable to the company.

4. In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services.

5. 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 applicable.

6. The maintenance of cost records has not been prescribed by the central Government under subsection (1) of section 148 of the companies Act.

7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues on applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2015 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, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

(c) According to information and explanation given to us, there were no amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the companies Act.

8. In our Opinion, the Accumulated losses of the company are not more than fifty percent of its net worth. Further the company has not incurred any cash losses for the financial year ended on that date and also in the immediately preceding financial year.

9. According to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank.

10. According to the information and explanations given to us, the company has not given any guarantees for the loans taken by others from banks or financial institutions.

11. In our Opinion and according to the information and explanations given to us and on an overall examination, the company has not availed any term loan during the year under report.

12. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Hyderabad
Date: 23.05.2015

For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 003246S

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

DANLAW TECHNOLOGIES INDIA LIMITED

Balance Sheet as at

in Rs.

Particulars	Note No.	31-03-2015	31-03-2014
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	**19,19,32,227**	18,71,03,409
(2) **Current liabilities**			
(a) Trade payables	3	**25,82,757**	5,47,791
(b) Other current liabilities	4	**29,23,399**	31,37,374
(c) Short-term provisions	5	**27,85,556**	–
	TOTAL	**23,74,26,939**	**22,79,91,574**
II. ASSETS			
(1) **Non-current assets**			
(a) FIXED ASSETS			
(i) Tangible assets	6	**67,80,812**	**1,20,31,285**
(ii) Intangible assets		**9,74,999**	**16,50,794**
(b) Non-current investments	7	**2,95,66,245**	**2,95,66,245**
(c) Deferred tax assets (Net)	8	**3,76,22,819**	**3,73,90,871**
(d) Long-term loans and advances	9	**15,54,205**	**16,48,705**
(2) **Current assets**			
(a) Inventories	10	**69,52,217**	**54,47,771**
(b) Trade receivables	11	**1,71,01,298**	**87,05,466**
(c) Cash and cash equivalents	12	**12,88,15,238**	**12,54,72,093**
(d) Short-term loans and advances	13	**80,59,106**	**60,78,344**
	TOTAL	**23,74,26,939**	**22,79,91,574**

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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

Statement of Profit and Loss for the year ended

in Rs.

Particulars	Note No.	31-03-2015	31-03-2014
INCOME			
I. Revenue from operations	14	**8,74,06,504**	8,33,54,661
II. Other income	15	**1,20,62,874**	1,22,23,786
Ill. Total Revenue		**9,94,69,378**	**9,55,78,447**
IV. **EXPENSES**			
Cost of materials consumed		**53,34,807**	87,45,243
Purchases of Stock-in-Trade		**91,78,954**	97,63,684
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		**(9,41,866)**	(6,16,640)
Employee benefits expense		**5,43,76,023**	5,04,42,312
Finance costs	16	**137**	35,127
Depreciation and amortization expense		**26,48,562**	22,59,737
Other expenses	17	**1,71,04,348**	1,88,60,104
Total expenses		**8,77,00,965**	**8,94,89,567**
V. Profit / (Loss) before exceptional and extraordinary items and tax		**1,17,68,413**	60,88,880
VI. Exceptional Items		**-**	-
VII. Profit / (Loss) before and extraordinary items and tax		**1,17,68,413**	60,88,880
VIII. Extraordinary Items		**-**	-
IX. Profit / (Loss) before tax		**1,17,68,413**	60,88,880
X. Tax expense:			
(1) Current tax		**25,86,797**	1,53,447
(2) Deferred tax		**(2,31,948)**	19,00,519
XI. Profit / (Loss) for the period from continuing operations		**94,13,564**	40,34,914
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		**94,13,564**	**40,34,914**
XVI. Earnings per equity share:			
(1) Basic		**2.53**	1.08
(2) Diluted		**2.53**	1.08

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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

Notes to the Balance Sheet as at

in Rs.

		31-03-2015	31-03-2014
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)	**(8,35,53,991)**	(8,75,88,905)
	Less: Carrying amount of assets whose useful life is Nill	**(45,84,746)**	**-**
	Add: current year Profit / (Loss)	**94,13,564**	40,34,914
		19,19,32,227	**18,71,03,409**
3.	**TRADE PAYABLES**		
	Sundry Creditors	**25,82,757**	5,47,791
	Outstanding dues of micro and small enterprises		-
		25,82,757	**5,47,791**
4.	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term borrowings	-	59,199
	Advances from customers	17,83,692	13,54,723
	Other liabilites	11,39,707	17,23,452
		29,23,399	**31,37,374**
5.	**SHORT-TERM PROVISIONS**		
	Accured gratuity	1,98,759	-
	Current year Income Tax	25,86,797	-
		27,85,556	-

Notes to the Balance Sheet as at

6. FIXED ASSETS

in Rs.

Assets	Gross Block				Depreciation				Net Block	
	Cost as at 31-03-2014	**Additions during the year**	Deductions during the year	Cost as at 31-03-2015	Total upto 31-03-2014	**For the year**	Deductions during the year	As at 31-03-2015	**As at 31-03-2015**	As at 31-03-2014
Tangible Assets										
Additions to Leasehold premises	14,84,850	-	-	14,84,850	3,32,857	66,382	-	3,99,239	10,85,611	11,51,993
Computers	3,08,99,060	9,15,869	2,85,32,728	32,82,201	2,98,56,050	9,02,747	2,85,32,728	22,26,069	10,56,132	15,95,343
Computer Servers	9,45,569	1,55,000	9,45,569	1,55,000	9,45,569	16,608	9,45,569	16,608	1,38,392	-
Office Equipment	19,91,882	41,663	18,16,42	2,16,803	18,45,851	97,067	18,16,742	1,26,176	90,627	6,06,905
Electrical Equipment	37,35,181	35,500	13,17,250	24,53,431	30,17,026	2,04,410	12,28,806	19,92,630	4,60,801	19,16,989
Lab Equipment	32,98,350	-	12,04,637	20,93,713	15,32,595	3,25,675	12,04,637	6,53,633	14,40,080	22,87,289
Furniture & Fixtures	81,65,843	2,47,450	-	84,13,293	81,17,473	31,314	-	81,48,787	2,64,506	15,20,556
Vehicles	54,29,333	-	8,84,612	45,44,721	28,56,106	3,28,564	8,84,612	23,00,058	22,44,663	29,52,210
Intangible Assets										
Computer Software	20,03,672	-	-	20,03,672	3,52,878	6,75,795	-	10,28,673	9,74,999	16,50,794
Grand Total	**5,79,53,740**	**13,95,482**	**3,47,01,538**	**2,46,47,684**	**4,88,56,405**	**26,48,562**	**3,46,13,094**	**1,68,91,873.16**	**77,55,811**	**1,36,82,079**
Previous Year	5,41,50,342	48,04,671	10,01,275	5,79,53,738	4,30,13,197	22,59,737	10,01,275	4,42,71,659	1,36,82,079	1,11,37,145

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	**(32,177)**	(6,99,404)
	Others	**3,76,54,996**	3,80,90,275
		3,76,22,819	3,73,90,871
9.	**LONG-TERM LOANS AND ADVANCES**		
	Unsecured, considered good:		
	Rent deposits	**10,70,000**	11,75,000
	Deposits with Government Agencies	**4,84,205**	4,73,705
		15,54,205	**16,48,705**
10.	**INVENTORIES**		
	(Valued at cost basis)		
	Raw materials	**11,38,400**	5,75,820
	Stock-in-trade	**58,13,817**	48,71,951
		69,52,217	**54,47,771**

in Rs.

11.	**TRADE RECEIVABLES**		
	Unsecured considered good		
	Outstanding for a period exceeding six months	**14,01,176**	**14,10,533**
	Others	**1,57,00,122**	**72,94,933**
		1,71,01,298	**87,05,466**
12.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**5,828**	12,819
	Balances with banks		
	- in current accounts	**46,56,622**	38,71,188
	- in EEFC accounts	**14,94,750**	-
	- in deposit accounts with more than 12 months maturity	**12,26,58,038**	12,15,88,086
	- in deposit accounts with less than 12 months maturity	**-**	-
		12,88,15,238	**12,54,72,093**
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	45,204	45,204
	Advances for expenses	31,688	12,000
	Advances for purchases	28,070	2,76,064
	Prepaid Expenses	2,78,485	2,52,770
	Interest Receivable	14,66,617	10,38,533
	Tax Deduction at Source	32,50,655	20,59,899
	MAT Credit	8,43,222	8,43,222
	Service tax -input credit	19,01,118	14,06,271
	Addl Duty of Customs	2,14,047	1,44,381
		80,59,106	**60,78,344**
Notes to the Profit and Loss Statement			
14.	**REVENUE FROM OPERATIONS**		
	Sale of products	1,91,77,851	3,37,60,371
	Sale of services	6,82,28,653	4,95,94,290
		8,74,06,504	**8,33,54,661**
15.	**OTHER INCOME**		
	Profit on sale of fixed assets	2,06,886	1,13,250
	Interest Income	1,09,86,805	99,34,918
	Interest on IT Refund	-	67,934
	Exchange Gain (net)	8,68,580	21,07,684
	Miscellaneous Income	603	-
		1,20,62,874	**1,22,23,786**
16.	**FINANCE COSTS**		
	Interest on short terms borrowings from banks	137	8,557
	Interest on TDS	-	26,570
		137	**35,127**

in Rs.

17.	**OTHER EXPENSES**		
	Advertisement	59,788	82,855
	AGM Expenses	15,300	18,000
	Auditors Remuneration	1,44,900	1,45,200
	Bank charges and commission	96,123	94,088
	Books & Periodicals	20,219	14,940
	Business Development Expenses	1,82,782	3,24,509
	Bad debts written off	4,70,117	5,51,566
	Depository Registrar Fee	53,892	53,828
	Directors sitting fee	1,35,000	1,05,000
	Freight outward	2,09,850	2,38,508
	Insurance Charges	97,535	81,677
	Internet Service Charges	2,08,754	1,93,379
	Professional Charges	1,57,353	84,218
	Listing Fee	1,00,000	15,000
	Managerial Remuneration	12,15,944	12,13,087
	Membership Fee	14,438	14,438
	Miscellaneous Expenses	-	486
	Office Maintenance	15,97,791	16,42,586
	Postage	52,929	31,127
	Power and Fuel	19,07,470	19,40,832
	Printing and Stationery	2,50,666	2,30,611
	Registration, Licence & Filing Fee	2,45,922	3,18,148
	Rent	55,67,200	60,53,510
	Rates & Taxes	3,75,716	3,89,461
	Sales commission	4,000	49,000
	Sub-contract works	3,06,631	4,04,559
	Telephone expense	3,80,622	4,36,813
	Travel and Conveyance	32,33,406	41,32,678
		1,71,04,348	**1,88,60,104**

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 recognised 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 acturial 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	2015	2014
18.2.1	Employee Benefit Expense		
	Salaries & wages	4,87,47,279	4,53,78,849
	Contribution to Provident Fund	28,75,437	19,98,916
	Contribution to ESI	54,258	66,133
	Gratuity	7,54,939	10,21,431
	Group gratuity insurance	54,465	35,657
	Group medical insurance	3,76,383	3,35,330
	Overseas medical insurance	5,000	15,984
	Reimbursement of medical expense	1,90,308	2,66,714
	Staff Recruitment and Training	91,425	88,893
	Staff welfare expense	12,26,529	12,34,405
		5,43,76,023	**5,04,42,312**
18.2.2	**Exchange Gain:**		
	Net gain on foreign currency transaction and transalation	**8,68,580**	21,07,684
18.2.3	**Payments to auditor**		
	Statutory audit fees	1,33,100	1,21,000
	Taxation matters	-	10,000
	Certification fees	9,000	12,000
	Out of pocket expenses	2,800	2,200
		1,44,900	**1,45,200**
18.2.4	**Purchases/Sales/Consumption under broad heads**		
	a) Automotive/industrial hardware		
	Purchase of electronic components for hardware	17,31,571	55,41,220
	Consumption	17,08,761	58,16,538
	Sales of electronic hardware (exports)	33,74,003	1,36,90,251
	b) Electronic Hardware		
	Purchase of electronic components for hardware	40,44,354	26,60,828

			in Rs.
	Consumption	31,62,382	26,82,564
	Sales of electronic hardware (Domestic)	46,50,000	68,01,575
	c) Traded goods		
	Purchases		
	1) Access control and Time & Attendance systems	31,52,741	56,85,406
	2) CCTV systems	23,15,658	35,91,048
	3) Fire Alarm systems	3,64,463	3,89,388
	4) Intruder detection Systems	17,315	18,042
	5) Public address Systems	-	79,800
	6) Tracking Systems	33,28,777	-
		91,78,954	**97,63,684**
	Cost of goods sold		
	1) Access control and Time & Attendance systems	44,21,691	50,20,648
	2) CCTV systems	21,37,428	35,12,447
	3) Fire Alarm systems	2,48,713	4,73,108
	4) Intruder detection Systems	12,264	49,416
	5) Public address Systems	-	91,425
	6) Tracking Systems	14,16,992	-
		82,37,088	**91,47,044**
	Sales		
	1) Access control and Time & Attendance systems	61,86,098	70,14,569
	2) CCTV systems	28,97,243	52,12,802
	3) Fire Alarm systems	4,69,807	7,40,274
	4) Intruder detection Systems	18,900	81,685
	5) Public address Systems	-	2,19,215
	6) Tracking Systems	1,58,18,00	-
		1,11,53,848	**1,32,68,545**
	c) Services		
	1) Export sales of software services (automotive domain)	6,29,42,476	4,53,07,381
	2) Domestic software services (Information Technology)	47,000	80,100
	4) Annual maintenance services	46,09,837	34,11,333
	5) Service calls	1,35,742	97,260
	6) Installation services	4,93,598	6,98,216
		6,82,28,653	**4,95,94,290**
18.2.5	Consumption of stores and spare parts	4,63,664	2,46,141
	Power and fuel	19,07,470	19,40,832
	Rent	55,67,200	60,53,510
	Repairs to machinery	2,98,486	4,21,410
	Insurance	97,535	81,677
	Rates and taxes	3,75,716	3,89,461
	Miscellaneous expenses	-	486
18.2.6	Value of imports on C.I.F basis (Forex Outflow)		
	Raw materials	18,66,152	38,92,921

	Components and spare parts	98,462	1,06,102
	Traded goods	29,88,605	30,58,057
	Capital goods	-	-
		49,53,219	**70,57,080**
18.2.7	Expenditure in foreign currency		
	Travel	-	22,050
	Business Development	-	1,27,308
18.2.8	a) Total value of imported raw materials, components consumed	13,63,680	42,35,808
	b) Total value of indigenous raw materials, components consumed	35,07,463	42,63,294
	Total consumption	53,34,807	87,45,243
	Percentage to the total consumption		
	Imports	25.56%	48.44%
	Indigenous	65.75%	48.75%
18.2.9	Earnings in foreign exchange (Forex Inflow)		
	Exports	**6,63,16,479**	5,89,97,632
18.2.10	Taxes on Income as per Accounting Standard 22		
	a) 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.2,31,948/- has been recognized as Deferred Tax Asset accrued during the year. Thus net Deferred Tax Asset of .2,31948/- charged in the Profit & Loss Account.		
	b)Major components of deferred tax assets on accounting of timing differences are -		
	Fixed Assets	6,67,227	(18,42,037)
	Others	(4,35,279)	(2,11,929)
	Total	**2,31,948**	**(20,53,966)**
18.2.11	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	6,344	3,487
	Total	**12,15,944**	**12,13,087**
18.2.12	Contingent Liabilities:		
	Bank Guarantees	16,34,963	15,65,011
18.2.13	Earnings per share:		
	Profit / (Loss) for the period	94,13,564	40,34,914
	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 end 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	2.53	1.08

18.2.14 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, 2015. 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.

18.2.15 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.

18.2.16 Related Party Transaction

	Related Party	Transactions for the year ended March 31 2015	2014	Balance as at March 31 2015	2014
	Sales & Services				
	Danlaw Technologies Inc	4,02,44,903	5,18,31,940	46,39,286	2,37,879
	Danlaw Inc	2,85,34,786	-	-	-
	Remuneration				
	Raju S Dandu	12,15,944	12,13,087	-	-
	Lease Rentals				
	D Lakshmi	27,05,400	25,76,550	2,25,141	2,25,141
	DSN Raju	27,05,400	25,76,550	2,25,141	2,25,141
	Lakshmi Dandu	0	6,45,000	-	48,375
	Investments				
	Danlaw Technologies Inc	-	-	2,95,66,245	2,95,66,245
	The Transactions with related parties have been carried at arm's leng price and also supported by the documentation reflecting the arm's leng transaction				
18.2.17	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 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 current year in the amount or Rs. 45,84,746/-				
18.2.18.	Depreciation Certain Assets which were old and not in use having net book value Nil have been retired.				
18.2.19	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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

Statement of cash flows for the year ended March 31

in Rs.

	31-03-2015	31-03-2014
Cash flows from operations		
Profit from operations	**91,81,616**	**60,88,880**
Depreciation and depletion	**26,48,562**	**12,58,462**
Decrease (increase) in trade receivables	**(83,95,832)**	**1,47,18,839**
Decrease (increase) in loans and advances	**(18,86,262)**	**(1,11,016)**
Decrease (increase) in inventory	**(15,04,446)**	**(3,19,585)**
Increase (decrease) in current liabilities	**18,20,989**	**9,05,097**
Increase (decrease) in provisions	**27,85,556**	**(3,24,784)**
Net cash from operations	**46,50,183**	**2,22,15,893**
Cash flows from financing		
Secured loans	**-**	**(77,005)**
Net cash from financing	**-**	**(77,005)**
Cash flows from investing	**-**	**-**
Proceeds of sale of fixed assets	**88,444**	**-**
Purchase of Fixed Assets	(13,95,482)	(**38,03,396**)
Net cash from investing	**(13,07,038)**	**(38,03,396)**
Total increase (decrease) in cash and equivalents during the year	33,43,145	1,83,35,492
Cash and equivalents at the beginning of the year	12,54,72,093	10,71,36,601
Cash and equivalents at the end of the year	**12,88,15,238**	**12,54,72,093**

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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

DANLAW TECHNOLOGIES INDIA LIMITED

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 2014 to March 2015
Extent of holding Company's interest	: 100%

DANLAW TECHNOLOGIES INC.

DIRECTO'RS REPORT

Your directors take pleasure in presenting the financial results of the company for the year 2014-2015.

No.	Particulars	In USD		Rs. in lakhs	
		2014-15	2013-14	2014-15	2013-14
1.	Revenue	1,076,891	1,574,275	656.40	951.70
2.	Cost of Sales	927,300	1,199,801	565.07	723.56
3.	Gross Profit	145,592	374,474	91.33	228.14
4.	General and Administrative Expenses	17,442	37,134	10.57	13.97
5.	Income from Operation	132,150	337,340	80.76	214.17
6.	Gain on Sale of Business Unit	110,356	-	65.94	-
7.	Income before Taxes	242,506	337,340	146.70	214.17
8.	Income Taxes	10,407	14,200	6.32	8.66
9.	Net Income	232,099	323,140	140.38	205.51
10.	Paid up equity share capital	640,000	640,000	295.66	295.66

The Company sold its education billing services division and an amount of $110,356 realized as sale consideration

Raju S Dandu

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 48334-2266

Independent Accountants' Review Report

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

We have reviewed the accompanying balance sheets of Danlaw Technologies, Inc (a wholly owned subsidiary of Danlaw Technologies India, Ltd.) as of March 31, 2015 and 2014, and the related statements of operations, stockholder's equity and cash flows for the years then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 4, 2015

DANLAW TECHNOLOGIES, INC.
BALANCE SHEETS
March 31, 2015 and 2014

A S S E T S

	2015	2014
Current Assets:		
Cash	$ 72,315	$ 100,008
Accounts Receivable	17,250	26,128
Accounts Receivable - Affiliate	648,464	287,838
Inventory	-	11,875
Prepaid Taxes	1,700	-
Prepaid expenses	-	200
Total Current Assets	739,729	426,049
Property and Equipment:		
Computer Equipment	-	11,549
Office Furniture and Equipment	-	8,830
	-	20,379
Less: Accumulated Depreciation	-	(19,574)
Total Property and Equipment	-	805
TOTAL ASSETS	$ 739,729	$ 426,854

LIABILITIES AND STOCK HOLDER'S EQUITY

Current Liabilities:		
Accounts Payable - Affiliate	$ 21,287	$ 8,454
Accounts Payable – Other	-	297
Accounts Payable – Parent	75,252	4,038
Accrued Payroll and Payroll Taxes	7,793	5,200
Accrued State Taxes	-	6,767
Accrued Federal Taxes	1,200	-
Total Current Liabilities	105,532	24,756
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
Accumulated Deficit	(5,803)	(237,902)
Total Stockholder's Equity	634,197	402,098
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 739,729	$ 426,854

See accompanying notes and independent accountants' review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
For the Years Ended March 31, 2015 and 2014

	2015	2014
Revenue:		
Automotive Electronics	$ 885,805	$ 1,201,939
Placement Services	171,210	219,660
Security Products	-	11,017
ESAP sp Sales	19,876	141,659
Total Revenue	1,076,891	1,574,275
Cost of Sales:		
Subcontract Work - Parent	579,116	755,741
Subcontract Work – Affiliate	5,267	10,000
Cost of Products – Parent	67,485	100,870
Other	78	9,618
Engineering Salaries	199,372	153,232
Billing Salaries	38,080	123,600
Payroll Taxes	18,240	23,226
Employee Benefits	19,662	23,514
Total Cost of Sales	927,300	1,199,801
Gross Profit	149,591	374,474
General and Administrative Expenses:		
Business Development	285	1,568
Travel & Lodging	510	190
Payroll Preparation	1,286	1,578
Telephone	1,677	4,743
Professional Services	4,470	4,775
Server Hosting	1,050	4,200
Insurance	(13)	514
Office Supplies and Expenses	1,842	9,377
Bank Charges	124	324
Depreciation	-	507
Other	6,210	9,358
Total General and Administrative Expenses	17,441	37,134
Income from Operations	132,150	337,340
Gain on Sale of Assets	110,356	-
Income Before Taxes	242,506	337,340
Federal Income Tax	1,200	-
State Income Tax	9,207	14,200
NET INCOME	$ 232,099	$ 323,140

See accompanying notes and independent accountants' review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
For the Years Ended March 31, 2015 and 2014

	Accumulated Deficit	Additional Paid-in Capital	Common Stock	Total
Balance March 31, 2013	$ (561,042)	$ 300,000	$ 340,000	$ 78,958
Net Income	323,140	-	-	320,140
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

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities:		
Net Income	$ 232,099	$ 323,140
Adjustments to Reconcile Net Income to Net		
Cash Provided by (used in)Operating Activities:		
Depreciation	-	507
Gain on sale of assets	(110,356)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(351,748)	91,724
Payroll Advances	-	900
Inventory	11,875	(7,125)
Prepaid expenses	200	(200)
Accounts Payable	83,750	(328,699)
Accrued Payroll and Payroll Taxes	2,593	(1,066)
Accrued State Taxes	(8,467)	(198)
Accrued Federal Taxes	1,200	-
Deposits -	-	(11,017)
Net Cash Provided by (used in) Operating Activities	(138,854)	67,966
Cash Flows from Investing Activities :		
Proceeds from Sale of Assets	111,161	-
Net Cash Provided by Investing Activities	111,161	-
Increase (Decrease) in Cash	(27,693)	67,966
Cash at Beginning of Year	100,008	32,042
Cash at End of Year	$ 72,315	$ 100,008

See accompanying notes and independent accountants' review report.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements
March 31, 2015 and 2014

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, 2015 and 2014, 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.

Inventory

Inventory is stated at lower of cost or market. Inventory consists primarily of finished goods.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements (continued)
March 31, 2015 and 2014

NOTE 1 - Summary of Accounting Policies (Continued):

Depreciation

The company depreciates its property and equipment using declining balance and straight-line methods over estimated useful lives ranging from three to seven years for financial reporting purposes.

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.

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 recognize interest and penalties related to income tax issues as components of interest income or expense.

Subsequent Events

Management has evaluated events and transactions through May 4, 2015, the date the financial statements were available to be issued.

NOTE 2 – Income Taxes:

The provision for Federal income Taxes for 2015 is based on taxable income at statutory rates, less application of the net operating loss carryover. No provision for Federal income taxes included in the 2014 statement of operations due to the net operating losses available to offset taxable income. The provision 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.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements (continued)
March 31, 2015 and 2014

NOTE 2 - Income Taxes (Continued):

The Company files income tax returns with various federal and state tax jurisdictions. Tax returns filed with the internal revenue service for the years 2012 - 2014 are subject to examination. Tax returns filed with the various states for the years 20112014 are subject to examination.

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

	2015	2014
Current Tax Expense :		
Tax on Income at Statutory Rates	$ 46,200	$ 106,000
Benefit of net operating loss carry over	45,000	(106,000)
Total	$ 1,200	$ -

The deferred tax asset at March 31 is as follows :

Deferred income tax	2015	2014
Benefit of net operating loss carryo	$ -	$ 45,000
Goodwill	-	30,000
Valuation allowance	-	(75,000)
Total Deferred Income Tax	$ -	$ -

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:

	2015	2014
Sales		
Danlaw Inc.	$ 993,763	$ 1,311,778
Purchases		
Danlaw Technologies India, Ltd.	$ 636,290	$ 863,739
Danlaw, Inc.	$ 5,267	$ 10,000
Administration Fees		
Danlaw, Inc.	$ 6,200	$ 6,200

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements (continued)
March 31, 2015 and 2014

NOTE 3 - Related Party Transactions (Continued):

	2015	2014
Accounts Receivable		
Danlaw Inc.	$ 647,560	$ 287,838
Azuga, Inc.	$ 904	$ -
Accounts Payables		
Danlaw Technologies India, Ltd.	$ 75,252	$ 4,038
Danlaw Inc.	$ 21,287	$ 8,454

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, 2015 and 2014.

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 edjusted $ 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

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, 2015, 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.

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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible formaintenance of adequate accounting records in accordance with the provisions of the Act for safeguardingthe 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. 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 consolidate 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, 2015.

(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 :

Other Matters

We did not audit the financial statements / financial information of certain subsidiary's whose financial statements reflect total assets $ 739729 as at 31st March, 2015, total revenue of $ 1076891 and net cash flows amounting to $ (138854) 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matter with respect to our reliance on the work done and report of the other auditors and the financial statements / financial information certified by the done management.

Place: Hyderabad
Date: 23.05.2015

For RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 003246S

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

Consolidated Balance Sheet as at

in Rs.

Particulars	Note No.	31-03-2015	31-03-2014
1. EQUITY AND LIABILITIES			
Shareholders Funds			
(1) (a) Share Capital	1	**3,72,03,000**	**3,72,03,000**
(b) Reserves and Surplus	2	**20,14,64,228**	**18,56,43,007**
(2) Current liabilities			
(a) Trade payables	3	**38,95,101**	**10,45,816**
(b) Other current liabilities	4	**34,03,837**	**34,61,202**
(c) Short-term provisions	5	**28,59,536**	**3,98,644**
TOTAL		**24,88,25,702**	**22,77,51,669**
II. ASSETS			
(1) Non-current assets			
(a) FIXED ASSETS			
(i) Tangible assets	6	**67,80,812**	**1,20,78,708**
(ii) Intangible assets		**9,74,999**	**16,50,794**
(b) Deferred tax assets (Net)	7	**3,76,22,819**	**4,18,09,121**
(c) Long-term loans and advances	8	**15,54,205**	**16,48,705**
(2) Current assets			
(a) Inventories	9	**69,52,217**	**61,47,327**
(b) Trade receivables	10	**5,35,03,281**	**2,69,63,324**
(c) Cash and cash equivalents	11	**13,32,73,458**	**13,13,63,564**
(d) Short-term loans and advances	12	**81,63,911**	**60,90,126**
TOTAL		**24,88,25,702**	**22,77,51,669**
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 and on behalf of the Board

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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

DANLAW TECHNOLOGIES INDIA LIMITED

Consolidated Profit and Loss Statement for the period ended

in Rs.

	Particulars	Note No.	31-03-2015	31-03-2014
III.	**INCOME**			
I.	Revenue from operations	13	**11,36,36,948**	**12,67,98,204**
II.	Other income	14	**1,20,62,874**	**1,22,23,786**
Ill.	Total Revenue		**12,56,99,822**	**13,90,21,990**
IV.	**EXPENSES**			
	Cost of materials consumed		**53,34,807**	**87,45,243**
	Purchases of Stock-in-Trade		**91,78,954**	**1,02,35,506**
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		**(9,41,866)**	**(6,16,640)**
	Employee benefits expense		**7,11,46,907**	**6,99,23,073**
	Finance costs	15	**137**	**35,127**
	Depreciation and amortization expense		**26,48,562**	**22,89,753**
	Other expenses	16	**1,84,88,870**	**2,17,70,752**
	Total expenses		**10,58,56,371**	**11,23,82,814**
V.	Profit before exceptional and extraordinary items and tax		**1,98,43,451**	**2,66,39,176**
VI.	Exceptional Items		**65,93,982**	**-**
VII.	Profit before extraordinary items and tax		**2,64,37,433**	**2,66,39,176**
VIII.	Extraordinary Items			
IX.	Profit before tax		**2,64,37,433**	**2,66,39,176**
X.	Tax expense:			
	(1) Current tax		**32,18,880**	**10,19,685**
	(2) Deferred tax		**44,11,453**	**87,24,727**
XI.	Profit for the period from continuing operations		**1,88,07,100**	**1,68,94,764**
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		**1,88,07,100**	**1,68,94,764**
XVI.	Earnings per equity share:			
	(1) Basic		5.06	4.54
	(2) Diluted		5.06	4.54
	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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

Notes to the Consolidated Balance Sheet as at

in Rs.

		31-03-2015	31-03-2014
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	**36,07,145**	**20,08,278**
	Profit and Loss Account (opening balance)	**(8,70,22,671)**	**(10,39,17,435)**
	Less : Carrying amount of assets whose useful life is Nil	**(45,84,746)**	**-**
	Add: current year Profit / Loss	**1,88,07,100**	**1,68,94,764**
		20,14,64,228	**18,56,43,007**
3.	**TRADE PAYABLES**		
	Sundry Creditors	**38,95,101**	**10,45,816**
	Outstanding dues of micro and small enterprises	-	-
		38,95,101	**10,45,816**
4.	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term borrowings	**-**	**59,199**
	Advances from customers	**17,83,692**	**13,54,723**
	Other liabilities	**16,20,145**	**20,47,280**
		34,03,837	**34,61,202**
5.	**SHORT-TERM PROVISIONS**		
	Accrued Gratuity	1,98,759	-
	Current year Income Tax	**26,60,777**	**3,98,644**
		28,59,536	**3,98,644**

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 31-03-2014	**Additions during the year**	Deductions during the year	Cost as at 31-03-2015	Total upto 31-03-2014	**For the year**	Deductions during the year	As at 31-03-2015	**As at 31-03-2015**	As at 31-03-2014
Tangible Assets										
Additions to Leasehold premises	14,84,850	**-**	-	14,84,850	3,32,857	**66,382**	-	3,99,239	**10,85,611**	11,51,993
Computers	3,08,99,060	**9,15,869**	2,85,32,728	32,82,201	2,98,56,050	**9,02,747**	2,85,32,728	22,26,069	**10,56,132**	15,95,343
Computer Servers	9,45,569	**1,55,000**	9,45,569	1,55,000	9,45,569	**16,608**	9,45,569	16,608	**1,38,392**	-
Office Equipment	19,91,882	**41,663**	18,16,742	2,16,803	18,45,851	**97,067**	18,16,742	1,26,176	**90,627**	6,06,905
Electrical Equipment	37,35,181	**35,500**	13,17,250	24,53,431	30,17,026	**2,04,410**	12,28,806	19,92,630	**4,60,801**	19,16,989
Lab Equipment	32,98,350	**-**	12,04,637	20,93,713	15,32,595	**3,25,675**	12,04,637	6,53,633	**14,40,080**	22,87,289
Furniture & Fixtures	81,65,843	**2,47,450**	-	84,13,293	81,17,473	**31,314**	-	81,48,787	**2,64,506**	15,20,556
Vehicles	54,29,333	**-**	8,84,612	45,44,721	28,56,106	**3,28,564**	8,84,612	23,00,058	**22,44,663**	29,52,210
Intangible Assets										
Computer Software	20,03,672	**-**	-	20,03,672	3,52,878	**6,75,795**		10,28,673	9,74,999	16,50,794
WOS Equipment	12,00,527		12,00,527	-	11,53,104	**0**	(11,53,104)	-	**-**	- 47,423
Grand Total	**5,91,54,267**	**13,95,482**	**3,59,02,065**	**2,46,47,684**	**5,00,09,509**	**26,48,562**	**3,34,59,990**	**1,68,91,873**	**77,55,811**	**1,37,29,502**
Previous Year	5,52,41,434	49,14,106	10,01,275	5,91,54,265	4,40,34,044	22,89,753	11,03,516	4,54,24,763	1,37,29,502	1,12,07,390

7.	**DEFERRED TAX ASSET (NET)**		
	Fixed Assets	(32,177)	(6,99,404)
	Others	3,76,54,996	4,25,08,525
		3,76,22,819	**4,18,09,121**
8.	**LONG-TERM LOANS AND ADVANCES**		
	Secured, considered Good:		
	Rent deposits	10,70,000	11,75,000
	Deposits with Government Agensies	4,84,205	4,73,705
		15,54,205	**16,48,705**

Notes to the Consolidated Balance Sheet as at

in Rs.

		31-03-2015	31-03-2014
9.	**INVENTORIES**		
	(Valued at cost basis)		
	Raw materials	**11,38,400**	5,75,820
	Finished goods	**-**	6,99,556
	Stock-in-trade	**58,13,817**	48,71,951
		69,52,217	**61,47,327**
10.	**TRADE RECEIVABLES**		
	Unsecured considered Good		
	Outstanding for a period exceeding six months	**14,01,176**	14,10,533
	Others	**5,21,02,105**	2,55,52,791
		5,35,03,281	2,69,63,324
11.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**5,828**	12,819
	Balances with banks		
	- in current accounts	**91,14,842**	97,62,659
	- in EEFC accounts	**14,94,750**	-
	- in deposit accounts with more than 12 months maturity	**12,26,58,038**	12,15,88,086
	- in deposit accounts with less than 12 months maturity	**-**	-
		13,32,73,458	**13,13,63,564**
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	**45,204**	45,204
	Advances for expenses	**31,688**	12,000
	Advance for capital Goods		
	Advances for purchases	**28,070**	2,76,064
	Prepaid Expenses	**2,78,485**	2,64,552
	Interest Receivable	**14,66,617**	10,38,533
	Tax Deduction at Source	**33,55,460**	20,59,899
	MAT Credit	**8,43,222**	8,43,222
	Service tax -input credit	**19,01,118**	14,06,271
	Addl Duty of Customs	**2,14,047**	1,44,381
		81,63,911	**60,90,126**
13.	**REVENUE FROM OPERATIONS**		
	Sale of products	**1,97,54,100**	3,50,04,213
	Sale of services	**9,38,82,848**	9,17,93,991
		11,36,36,948	**12,67,98,204**

Notes to the Consolidated Profit and Loss Statement

in Rs.

		31-03-2015	31-03-2014
14.	**OTHER INCOME**		
	Profit on sale of fixed assets	2,06,886	1,13,250
	Interest Income	**1,09,86,805**	**99,34,918**
	Interest on IT Refund	**-**	**67,934**
	Exchange Gain (net)	**8,68,580**	**21,07,684**
	Miscellaneous Income	**603**	**-**
		1,20,62,874	**1,22,23,786**
15.	**FINANCE CONSTS**		
	Interest on short terms borrowings from banks	**137**	**8,557**
	Interest on TDS	**-**	**26,570**
		137	**35,127**
16.	**OTHER EXPENSES**		
	Advertisement	**59,788**	**82,855**
	AGM Expenses	**15,300**	**18,000**
	Auditors Remuneration	**4,15,737**	**4,40,380**
	Bank charges and commission	**1,03,805**	**1,13,885**
	Books & Periodicals	**20,219**	**14,940**
	Business Development Expenses	**1,99,816**	**4,14,909**
	Bad debts written off	**4,70,117**	**5,51,566**
	Depository Registrar Fee	**53,892**	**53,828**
	Directors sitting fee	**1,35,000**	**1,05,000**
	Freight outward	**2,14,553**	**3,04,152**
	Insurance Charges	**97,535**	**1,13,545**
	Internet Service Charges	**2,71,513**	**4,46,913**
	Professional Charges	**2,35,958**	**1,79,156**
	Listing Fee	**1,00,000**	**15,000**
	Managerial Remuneration	**12,15,944**	**12,13,087**
	Membership Fee	**14,438**	**14,438**
	Miscellaneous Expenses	**-**	**486**
	Office Maintenance	**20,35,245**	**26,02,952**
	Postage	**1,02,330**	**2,19,696**
	Power and Fuel	**19,07,470**	**19,40,832**
	Printing and Stationery	**2,50,666**	**2,30,611**
	Registration, Licence & Filing Fee	**2,46,520**	**3,20,103**
	Rent	**55,67,200**	**60,53,510**
	Rates & Taxes	**3,75,716**	**3,89,461**
	Sales commission	**4,000**	**49,000**
	Sub-contract works	**6,29,079**	**10,16,135**
	Telephone expense	**4,81,244**	**7,23,019**
	Travel and Conveyance	**32,65,785**	**41,43,293**
		1,84,88,870	**2,17,70,752**

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 USA 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 hereinaftr 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 percentage 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, 2014 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.61.65 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.59.77, Rs.60.59, Rs.62.00 & Rs.62.25 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.6,56,39,649/- during the year ended March 31, 2015 of which the sales made to the Danlaw Inc are Rs.6,05,50,772/-. During the year ended March 31, 2015 Danlaw Technologies Inc has purchased services of Rs.7,01,595/- 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 show in exceptional items.

Signatures to Notes 1 to 17

for and onbehalf of the Board

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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

V Padmaja
Company Secretary
Membership No. ACS30999

Consolidated Statement of cash flows for the year ended March 31

in Rs.

	31-03-2015	31-03-2014
Cash flows from operations		
Profit from operations	2,32,18,553	2,57,72,938
Depreciation and depletion	26,48,562	11,86,237
Decrease (increase) in trade receivables	(2,51,18,820)	5,71,193
Decrease (increase) in loans and advances	(19,79,285)	(74,612)
Decrease (increase) in inventory	(8,04,890)	(7,64,826)
Increase (decrease) in current liabilities	27,91,920	1,28,781
Increase (decrease) in provisions	24,60,892	(3,18,441)
Net cash from operations	**32,16,932**	**2,65,01,270**
Cash flows from financing		
Secured loans	-	(77,005)
Net cash from financing	-	(77,005)
Cash flows from investing		
Proceeds of sale of fixed assets	88,444	-
Purchase of Fixed Assets	(13,95,482)	(39,12,831)
Net cash from investing	(13,07,038)	(39,12,831)
Total increase (decrease) in cash and equivalents during the year	19,09,894	2,25,11,434
Cash and equivalents at the beginning of the year	13,13,63,564	10,88,52,130
Cash and equivalents at the end of the year	**13,32,73,458**	**13,13,63,564**

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

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329
Hyderabad
May 23, 2015

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

AVRK VARMA
Chief Financial Officer

M.A. ASHOK KUMAR
Director
DIN: 00045549

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 22nd Annual General Meeting of the Company being held on 30th September 2015 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

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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) of .....shares of the above named company, hereby appoint :-
1. ..... .of ..... having e-mail id .....or failing him
2. ..... .of ..... having e-mail id .....or failing him
3. ..... .of ..... having e-mail id .....or 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 22nd Annual General Meeting of the company, to be held on the 30th day of September, 2015 at 10.00 a.m. 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.	Consider and adopt audited Financial Statements, Reports of the Board of Directors and auditors thereon.		
2.	Appointment of Auditors and fixing their remuneration.		
3.	Re-appoint Mr. Raju S Dandu as Director		
Special Business			
4.	Appoint Smt P. Sundaramma as an Independent Director		

Signed this .....day of 2015

Affix One Rupee Stamp Here

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

Notes:
1. 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.
2. A Proxy need not be a member of the Company.
3. A. Person can act as a Proxy on behalf of members not exceeding fifty and holding in 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.
4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to Vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. 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