

DTIL/SE/2021/247
Date : 15.01.2020

To
The Deputy General Manager
The Department of Corporate Services
Bombay Stock Exchange Limited
P.J. Towers, Dalal Street
Mumbai – 400001
Scrip Code 532329

Dear Sir,

Sub : Submission of Annual Report under Regulation 34 of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015

With reference to the letter dated 5th September, 2020, We would like to inform you that we had submitted Annual Report under Regulation 34 of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015. However, we have noticed that the note no. 12,13,14,15 of the Standalone Financials are missing due to duplication of page. Please find attached Revised Annual Report.

This is for your information and record please.

Thanking you,

Yours sincerely,

For Danlaw Technologies India Limited

GAURAV
PADMAWAR

Digitally signed by
GAURAV PADMAWAR
Date: 2021.01.15
17:45:53 +05'30'

Gaurav Padmawar
Company Secretary and Compliance Officer

Encl: as above

DANLAW TECHNOLOGIES INDIA LIMITED

ANNUAL REPORT - FY 2019-20

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BOARD OF DIRECTORS

Raju S Dandu
Chairman & Whole-time
Director

Sirish Batchu
Managing Director

K N Praveen Kumar
Director

N S Sappata
Director

T Ravi Kumar
Director

P Sundaramma
Director

MANAGEMENT TEAM

B V Ramana
Chief Technologies Officer

A V R K Varma
Chief Financial Officer

Gaurav Padmawar
Company Secretary

D K Mohan Raju
Chief Marketing
Officer

REGISTERED OFFICE

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

USA SUBSIDIARY

Danlaw Technologies Inc.
41131, Vincenti Court,
Novi, Michigan 48375, USA.

Indian Subsidiary

Danlaw Electronics Assembly Limited
L-15, Electronic City Verna
Salcets, Goa 403722

Auditors

CSV & Associates
Chartered Accountants,
F-2, Trendset Ville,
Road No.3, Banjara Hills,
Hyderabad - 500034
Ph. : 040 - 23551980
Email : csvrassociates@gmail.com

BANKERS

HDFC Bank Ltd. ,
Banjara Hills Branch,
Hyderabad.

SBI - IFB
Somajiguda, Hyderabad.

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited(formerly known as
Karvy Fintech Private Limited)
Selenium Building, Tower-B,
Plot No.31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad-500032
Tel : 040-6716 2222,
Fax : 040-2300 1153
Email: einward.ris@kfintech.com
Website: www.kfintech.com



NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Wednesday, the 30th day of September 2020 at 10.00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS :

1.To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2020 together with the Reports of Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Raju S Dandu (DIN:00073484),who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. Appointment of Mr. Raju S Dandu (DIN:00073484) as a Whole-time Director and Executive Chairman of the Company

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

"RESOLVED THAT pursuant to Sections 196, 197,198 and 203 read with Schedule V of Companies Act 2013 and and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard consent of Members of the Company and subject to the approval of the central government be and is hereby accorded for the the appointment of Mr. Raju S Dandu,(DIN: 00073484) as the Whole-time Director and Executive Chairman of the Company for a period of Three years with effect from February 25th 2020 upon payment of a remuneration of gross pay of Rs.18 lakhs per annum plus all other benefits, perquisites and other allowances

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

Category I: Included in the Remuneration

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

Category II: Not included in the remuneration

- a) Contribution to Provident Fund and Annuity Fund are as per the rules of the Company and to the extent these either singly or put together are not taxable under the Income Tax Act.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of Leave at the end of his tenure
- d) Leave: As per the rules of the Company

- e) Leave Travel Concession for self and family incurred in accordance with the service rules of the Company.
- f) Provision of car with driver for use on Company's business.
- g) Telephone at residence and mobile phone for self

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

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

RESOLVED FURTHER THAT that the Board be and is hereby authorized to revise the gross salary of the Chairman and Whole-time director by a maximum of 50% per annum.

RESOLVED FURTHER THAT any of the Directors and Company Secretary of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

4. Appointment of Mr. Sirish Batchu(DIN : 08335245) as a Managing Director

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

"RESOLVED THAT pursuant to Sections 196, 197,198 and 203 read with Schedule V of Companies Act 2013 and and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard consent of Members of the Company be and is hereby accorded for the the appointment of Mr. Sirish Batchu,(DIN: 08335245) as the Managing Director of the Company for a period of Three years with effect from February 25th 2020 on a remuneration of Rs 150 lakhs/- per annum.

RESOLVED FURTHER THAT notwithstanding anything specified above, where in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or profits are inadequate, the Company shall pay remuneration to Mr Sirish Batchu.

RESOLVED FURTHER THAT any of the Directors and Company Secretary of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Place: Hyderabad
Date: 22.08.2020

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Chairman
DIN:00073484

Notes:

1. The AGM will be held on Wednesday, 30th September, 2020 at 10:00 A.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the applicable provision of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 08th April, 2020, MCA General Circular no. 17/2020, dated 13th April, 2020 and MCA General Circular No. 20/2020 dated 05th May, 2020.
2. Pursuant to the General Circular No. 14/2020 dated 08th April, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-voting.
3. Body Corporates whose Authorized Representatives are intending to attend the meeting through VC/OAVM are requested to send to the Company on their email ID : info@danlawtechnologies.com a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.
4. In view of massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing(VC) or other audio visual means (OAVM) and dispensed personal present of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 27th Annual General Meeting (AGM) of the members be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed below in Serial No. 22 and available at the Company's website www.danlawtechnologies.com
5. Those Shareholders (Physical or Demat) whose email IDs are not registered can get their email ID registered on the website of our RTA i.e., <http://www.kfintech.com>
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. As the Annual General Meeting of the Company is held through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this Notice of AGM on the Email ID info@danlawtechnologies.com
8. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2020 to 30th September 2020 (both days inclusive).
9. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / reappointment as required under the Companies Act, 2013 and the Rules there under.
10. A statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under item nos. 3 to 4 set out above to be transacted at the meeting is annexed hereto and form part of this Notice.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in

electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent

12. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 14 days of the meeting, to facilitate the compilation of data for clarifications.
13. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in the Notice under Note no. 22.
14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. The Annual Report along with the Notice of AGM will be placed on the Company's website on www.danlawtechnologies.com
16. As per the MCA General Circular 20/2020 dated 05th May, 2020, the Annual Report will be sent through electronic mode to only those Members whose email IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository participant.
17. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Electronic) to M/s. KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, Email ID : einward.ris@kfintech.com
18. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
20. Members may also note that the Notice of the AGM along with Annual Report 2019-20 will be available on the Company's website, www.danlawtechnologies.com.
21. The facility for voting through electronic voting system shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
22. For Remote e-voting and e-voting during AGM :

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 26th September 2020 at 09:00 A.M. and ends on 29th September, 2020 at 05:00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd

September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open

the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail mnmandassociates@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (info@danlawtechnologies.com).
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (info@danlawtechnologies.com).
2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Place: Hyderabad
Date: 22.08.2020

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Chairman
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. 3 and 4 of the accompanying Notice:

Item No. 3

The Board of Directors at its Meeting held on February 08, 2020 on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Raju S Dandu Whole-time Director and Executive for a period of Three years with effect from February 25th 2020 subject to the approval of the Shareholders and requisite Central Government

Mr. Raju S Dandu will attain the age of 70 years in January 2021. Hence in accordance with proviso to Section 196 3(a), the Company seeks consent of the members by way of special resolution for continuation of his holding the office of Executive Chairman and Whole-director even after attaining the age of 70 years during his proposed tenure. He is a non-resident Indian, as per PART I of Schedule V of the Act his appoint is subject to approval Central Government.

The Company has incurred loss, therefore, pursuant to the provisions of Section 197 of the Companies Act, 2013, the remuneration payable to Director should be in accordance with the provisions of Schedule V of the Act.

DISCLOSURES AS PER SUB CLAUSE (iv) OF THE SECOND PROVISOR TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE ACT:

I. General information:

1	Nature of industry	IT and ITES
2	Date or expected date of	The Company was incorporated on

	commencement of commercial production	03/12/1992		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial performance based on given indicators		19-20	18-19
		Total Income	1648.76	2658.94
		Profit/loss before tax	(403.91)	42.19
		Net Profit after Tax	(308.29)	30.49
5	Foreign investments or collaborations, if any.	Danlaw Technologies Inc is a wholly owned subsidiary company		

II. Information about the appointee:

1	Background details	Mr. Raju S Dandu has rich experience in technical, strategy and administration in the field of IT & ITES in automotive domain.
2	Recognition or awards	
3	Job profile and his suitability	Mr. Raju S Dandu has rich experience in technical, strategy and administration in the field of IT & ITES in automotive domain. Hence most suitable for the post of Whole-time Director of the Company.
4	Remuneration proposed	Rs.18 lakhs per annum
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is commensurate with size and nature of business of the company and the huge responsibility Mr. Raju S Dandu is carrying. The remuneration differs from company to company in the industry depending on the respective operations.
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from drawing remuneration of the Company, there are no other pecuniary relationships. The Appointee is not related to any managerial personnel of the Company

III. Other information:

1	Reasons of loss or inadequate profits	Decrease in demand for products due to slow down in automotive industry and Covid19 pandemic affected the performance.
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2	Steps taken or proposed to be taken for improvement	Management is putting all its efforts in scaling up the revenues and bagged orders from Automotive OEM's in the current year and also adding new customer base. The company is being registered with various state road transport authorities as AIS140 compliant vendor for its products.
3	Expected increase in productivity and profits in measurable terms	With scale up of revenues management believe that the company will make a turnaround. Due to Covid19 pandemic and unexpected events that may arise in future company can't measure the productivity or profits in specific terms at this point of time.

Brief profile of Mr. Raju S Dandu information as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings in respect of re-appointment of Mr. Raju S Dandu is mentioned in the annexure which forms part of this notice.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 3 of the Notice for the approval of members.

Item No. 4

The Board of Directors at its Meeting held on February 08, 2020 on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Sirish Batchu as Managing Director for a period of Three years with effect from February 25th 2020 subject to the approval of the Shareholders.

The Company has incurred loss, therefore, pursuant to the provisions of Section 197 of the Companies Act, 2013, the remuneration payable to Director should be in accordance with the provisions of Schedule V of the Act.

DISCLOSURES AS PER SUB CLAUSE (iv) OF THE SECOND PROVISOR TO CLAUSE (B) OF SECTION II OF PART-II OF SCHEDULE V OF THE ACT:

I. General information:

1	Nature of industry	IT and ITES		
2	Date or expected date of commencement of commercial production	The Company was incorporated on 03/12/1992		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial performance based on given indicators		19-20	18-19
		Total Income	1648.76	2658.94
		Profit/loss before tax	(403.91)	42.19
		Net Profit after Tax	(308.29)	30.49
5	Foreign investments or collaborations, if any.	Danlaw Technologies Inc is a wholly owned subsidiary company.		

II. Information about the appointee:

1	Background details	Mr. Sirish Batchu has vast experience with R&D in the Automotive, Electronics and software domains. He was the vice president – digital technology in Ather Energy Pvt Ltd. He has worked with organizations like Mahindra & Mahindra, Bosch and Indian Space Research Organization in the past and has been instrumental in establishing several R&D initiatives from conceptualization to market scaling and has managed large teams /projects in multi-domain, multi regional and multi functional environments.
2	Recognition or awards	He has to his credit, the creation of “Mahindra DiGiSENSE”, a unified Connected Vehicles Platform for the entire Mobility Sector across Mahindra & Mahindra and had major contribution in the development of the first Driverless Tractor in India at M&M.
3	Job profile and his suitability	Mr. Sirish Batchu has vast experience with R&D in the Automotive, Electronics and software domains. He is the vice president – digital technology in Ather Energy Pvt Ltd. He has worked with organizations like Mahindra & Mahindra, Bosch and Indian Space Research Organization in the past. Hence most suitable for the post of Managing Director of the Company.
4	Remuneration proposed	Rs 150 lakhs/- per annum
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is commensurate with size and nature of business of the company and the huge responsibility Mr. Sirish Batchu is carrying. The remuneration differs from company to company in the industry depending on the respective operations.
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from drawing remuneration as Managing Director of the Company, there are no other pecuniary relationships. The Appointee is not

		related to any managerial personnel of the Company
--	--	--

III. Other information:

1	Reasons of loss or inadequate profits	Decrease in demand for products due to slow down in automotive industry and Covid19 pandemic affected the performance.
2	Steps taken or proposed to be taken for improvement	Management is putting all its efforts in scaling up the revenues and bagged orders from Automotive OEM's in the current year and also adding new customer base. The company is being registered with various state road transport authorities as AIS140 compliant vendor for its products.
3	Expected increase in productivity and profits in measurable terms	With scale up of revenues management believe that the company will make a turnaround. Due to Covid19 pandemic and unexpected events that may arise in future company can't measure the productivity or profits in specific terms at this point of time.

Brief profile of Mr. Sirish Batchu information as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings in respect of re-appointment of Mr. Raju S Dandu is mentioned in the annexure which forms part of this notice.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 4 of the Notice for the approval of members.

ANNEXURE TO THE NOTICE:

Disclosure pursuant Regulation 36 (3) of SEBI Listing Regulations with regard to the Directors seeking Appointment / Re – appointment at the forthcoming Annual General Meeting (refer Item No.3 and 5)

1. Mr. Raju S Dandu (DIN:00073484)

Brief Resume :

Name of the Director	Raju S Dandu
Father Name	Raju Venkata Dandu
Date of Birth	01/01/1951
Qualifications	MS in Electrical and Computer Engineering from University of IOWA and MBA from University of Detroit, USA
Date of Appointment	01-04-2016
Experience	42 years

Nature of Expertise in Specific functional areas :

Mr. Raju S Dandu has rich experience in technical, strategy and administration in the field of IT & ITES in automotive domain.

Disclosure of inter-se relationship between Directors and Key Managerial Personnel:

Mr. Raju S Dandu is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

Listed entity (other than Danlaw Technologies India Ltd) in which Mr. Raju S Dandu holds the directorship and Committees Membership :

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

2.Mr. Sirish Batchu (DIN: 08335245)

Brief Resume :

Name of the Director	Sirish Batchu
Father Name	Swaminath Batchu
Date of Birth	08/08/1971
Qualifications	Engineer
Date of Appointment	11.02.2019
Experience	21 years

Nature of Expertise in Specific functional areas :

Mr. Sirish Batchu has vast experience with R&D in the Automotive, Electronics and software domains. He is the vice president – digital technology in Ather Energy Pvt Ltd. He has worked with organizations like Mahindra & Mahindra, Bosch and Indian Space Research Organization in the past and has been instrumental in establishing several R&D initiatives from conceptualization to market scaling and has managed large teams /projects in multi-domain, multi regional and multi functional environments.

Disclosure of inter-se relationship between Directors and Key Managerial Personnel:

Mr. Sirish Batchu is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

Listed entity(other than Danlaw Technologies India Ltd) in which Mr. Sirish Batchu holds the directorship and Committees Membership :

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Chairman

Place: Hyderabad
Date: August 22, 2020

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, 2020. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

Financial Results

(Rs. In
Lakhs)

Particulars	2019-20				2018-19			
	DTIL	DTI	DEAL	Cons.	DTIL	DTI	DEAL	Cons.
Net Sales/Income from operations	1534.25	135.19	3815.53	5484.97	2597.71	137.81	2750.69	5486.21
Other Income	114.51	6.11	2.54	123.16	61.23	6.58	1.83	69.64
Total Income	1648.76	141.30	3818.07	5608.13	2658.94	144.39	2752.52	5555.85
Cost of materials	606.19	0.00	2380.62	2986.81	1362.01	0.00	1598.19	2960.20
Employee's Cost	928.81	95.70	918.20	1942.71	899.34	109.35	751.39	1760.08
Finance Cost	24.26	0.00	19.44	43.70	2.07	0.00	0.00	2.07
Depreciation	187.85	0.00	132.52	320.37	28.18	0.00	84.06	112.24
Other Expenses	330.99	6.90	642.93	980.82	325.03	9.75	500.59	835.37
Total Expenses	2078.10	102.60	4093.71	6274.41	2616.63	119.10	2934.23	5669.96
Profit / (Loss) before tax	(429.34)	38.70	(275.64)	(666.28)	42.31	25.29	(181.71)	(114.11)
Current Tax	0.00	8.91	0.00	8.91	8.11	5.63	0.71	14.45
Prior-period Tax	0.25	0.00	(6.20)	(5.95)	(2.60)	0.00	46.47	43.87
Deferred Tax	(102.48)	0.00	(46.35)	(148.83)	6.22	0.00	(87.53)	(81.31)
Profit / (Loss) after tax	(327.11)	29.79	(223.09)	(520.41)	30.58	19.66	(141.36)	(91.12)
Profit / (Loss) attributable to:								
- Owners of the Company	(327.11)	29.79	(156.17)	(453.49)	30.58	19.66	(98.95)	(48.71)
- Non controlling interests	0.00	0.00	(66.93)	(66.93)	0.00	0.00	(42.41)	(42.41)
Paid up equity share capital	370.75	295.66	516.97	370.75	370.75	295.66	516.97	370.75
Reserves and Surplus (Excl. revaluation reserve)	1737.79	367.09	935.97	1850.56	2046.08	290.08	1164.09	2241.91
Earnings per share - basic	(8.82)	46.55	(4.32)	(12.23)	0.82	30.72	(2.73)	(1.31)
Earnings per share - diluted	(8.82)	46.55	(4.32)	(12.23)	0.82	30.72	(2.73)	(1.31)

DTIL: Danlaw Technologies India Limited

DTI : Danlaw Technologies Inc - 100% wholly owned subsidiary

DEAL: Danlaw Electronics Assembly Limited - subsidiary

Dividend

In view of the accumulated losses, your directors do not recommend any dividend for the Financial Year 2019-2020

Transfer to Reserve

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

Share Capital

During the year under review, there were no changes in the share capital of the Company. Share Capital of the Company as on March 31, 2020 was as follows:

Authorized Capital - Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs Only) Equity Shares of Rs. 10 each.

Issued, Subscribed and Paid Up Capital – Rs. 3,70,74,900/- (Rupees Three Crores Seventy Lakhs Seventy Four Thousand Nine Hundred Only) divided into 37,04,790 (Thirty-Seven lakhs four thousand Seven Hundred and Ninety only) Equity Shares of Rs. 10 each.

Company's Performance (Stand Alone)

Revenue from operations has decreased by about 41% to Rs.1534.25 lacs. The net Loss for the fiscal year is Rs.327.11 lacs as compared to a Profit of Rs.30.58 lacs in the previous year. Due to slow down in the Automotive industry during the year, as well as delays in the launch of our products due to global pandemic in the fourth quarter the company has incurred loss.

The other income of Rs.114.51 lacs includes Rs.94.38 lacs of Lease Rental income, Rs.8.18 lacs interest income.

Change in the nature of business, if any

During the year under review, there has been no change in the nature of business of the Company.

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the company which occurred during and between the end of the financial year to which the financial statements relate and the date of this report.

Events subsequent to the date of financial statement

The Covid-19 lockdown has significant impact on how we conduct our business and the company has taken all the necessary steps.

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

There are 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

The Company'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

Danlaw Technologies, Inc - wholly owned subsidiary in USA

Danlaw Electronics Assembly Limited – Subsidiary Company in Goa, India

Performance and financial position have been given above in the financial results.

Deposits from public

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

Auditors

In terms of the provisions of Section 139(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the Company appointed the Statutory Auditors for a period of five years from the conclusion of the 24th Annual General Meeting upto the conclusion of 29th 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.

The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

Auditors' report

There are no qualifications, reservations or adverse remarks made by M/s. CSVR & Associates, Chartered Accountants, and Statutory Auditors in their report for the Financial Year ended 31st March, 2020.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, during the year under review.

Secretarial Auditor's:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s MNM & Associates, Company Secretaries in Practice (CP No 11694) to conduct the Secretarial Audit of the Company's secretarial and related records for the year ended 31st March 2020. The Secretarial Audit Report of the Company is annexed herewith as Annexure and forms an integral part of this report.

Secretarial Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s. MNM & Associates, Practising Company Secretaries in their report for the financial year ended 31st March, 2020.

Internal Auditor

The Board on the recommendations of the Audit Committee has appointed M/s. Ramana Reddy & Associates, Chartered Accountants as internal auditors of the Company. The Internal Auditors are submitting the reports regularly.

Maintenance of cost records

The company is not required to maintain cost records as specified by the central government under sub section (1) of section 148 of the Companies Act, 2013.

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 Rs.321.59 lacs spent on R&D.
- (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	2019-2020	2018-2019
Earnings	5,47,97,087	8,80,92,130
Outgo	3,28,86,619	10,95,66,270

Corporate social responsibility policy

The Company was not required to constitute Corporate Social Responsibility (CSR) Committee as the company has not met any of the thresholds mentioned in section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about the policy on Corporate Social Responsibility and initiative taken are not applicable to the company.

Directors and Key Managerial Personnel

Mrs. P Sundaramma was appointed as Independent Director of the Company in the 22nd AGM for a period of 5 years and their tenure ends at 27th AGM to be held in 2020. Mrs. P Sundaramma has opted not to be re-appointed. The Board places on record its sincere appreciation for the valuable advice during her tenure as Director of the Company.

All the Independent Directors of your Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid

down under Section 149(6) of the Companies Act, 2013 and the Rules made there under and also as per applicable regulations of the SEBI (LODR) Regulations, 2015.

Name	Category	Attendance at		Number of Directorships held in other public companies		Number of Committee positions held in other public companies	
		Board	Last AGM	Unlisted	Listed	Unlisted	Listed
Mr. Raju S Dandu*	Promoter Executive	7	Yes	1	Nil	Nil	Nil
Mr. Naga Satyanarayana Sappata	Independent Non-executive	6	Yes	Nil	Nil	Nil	Nil
Mr. K N Praveen Kumar	Independent Non-executives	6	Yes	Nil	Nil	Nil	Nil
Mr. T Ravikumar	Independent Non-executive	7	Yes	Ni	Nil	Nil	Nil
Mrs. P Sundaramma	Independent Non-executive	4	No	Nil	Nil	Nil	Nil
Mr. Sirish Batchu**	Managing Director-executive	5	Yes	Nil	Nil	Nil	Nil

None of the Directors are disqualified from being appointed or holding office as Directors, as stipulated under Section 164 of the Companies Act, 2013.

Key Managerial Personnel

Mrs. V Padmaja was appointed as the Company Secretary of the Company with effect from 28.05.2014 and she has resigned from the services of the Company on 01.05.2019.

Mr. Gaurav Padmawar was appointed as the Company Secretary of the Company with effect from 01.05.2019.

*At the Board Meeting held on 08.02.2020, Mr Raju S Dandu was appointed as the whole-time Director and Executive Chairman of the Company for a period of Three years with effect from February 25, 2020 subject to the approval of shareholders at the ensuing Annual General Meeting and central government.

**At the Board Meeting held on 08.02.2020, Mr Sirish Batchu was appointed as the Managing Director of the Company for a period of Three years with effect from February 25, 2020 subject to the approval of shareholders at the ensuing Annual General Meeting.

There were no other changes in the office of Key Managerial personnel of the company.

Meeting of the Board of Directors

Seven meetings of the board were held during the year. The Meetings were held on, 1st May, 2019 20th May 2019, 10th August 2019, 31st August 2019 20th September 2019, 09th November 2019, 8th February 2020. The maximum interval between any two meetings did not exceed 120 days.

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 Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

Audit Committee

As on 31st March, 2020, the Audit Committee consists of five directors as its members, out of whom four are independent non-executive directors and one is Whole-time Director.

There were 4 (four) meetings held on 20th May 2019, 10th August 2019, 9th November 2019, 8th February 2020 during the Financial Year 2019-20

Names of the members and the Chairman of the Committee as on 31st March, 2020 together with their attendance are given in the following table:

Name of Director	Category	No. of meetings attended
Mr. Raju S Dandu	Executive Director	4
Mr. Naga Satyanarayana Sappata	Non-Executive - Independent Director	4
Mr. K N Praveen Kumar	Non-Executive - Independent Director	4
Mr. T Ravikumar - Chairman	Non-Executive - Independent Director	4
Mr. P Sundaramma	Non-Executive - Independent Director	3

Necessary quorum was present in all the meetings. .Mr. T Ravikumar Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of the Company.

The terms of reference to the Audit Committee cover the matter specified for Audit Committee under Regulation 18 of SEBI Listing Regulations and Section 177 (1) of the Companies Act, 2013 and SEBI Listing Regulations.

Nominations and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors meets the criteria laid down under section 178 of the Companies Act, 2013 read with the Regulation 19 of the SEBI Listing Regulations.

There were two meeting held on 10th August 2019 and 8th February 2020 during the Financial Year 2019- 2020

Names of the members and the Chairman of the Committee as on 31st March, 2020 are given below

Name	Category
Mr. Naga Satyanarayana Sappata	Independent Non-executive - Chairman
Mr. Kotti Nanda Praveen Kumar	Independent Non-executive
Mr.Ravi Kumar Tamma	Independent Non-executive

Stakeholder Relationship Committee

The Stakeholder Relationship Committee (SRC) of the Board of Directors meets the Criteria laid down under Section 178 of the Companies Act, 2013, read with the Regulation 20 of the SEBI Listing Regulations.

One meeting of the Stakeholders Relationship committee was held during the year. The dates on which the said meetings was held on 08-02-2020

M/s. KFin Technologies Private Limited, 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.

Names of the members and the Chairman of the Committee as on 31st March, 2020 are given below

Name	Category
Mr Dandu Satyanarayana Raju	Executive Director
Mr. Naga Satyanarayana Sappata -	Independent Non-executive
Mr.Ravi Kumar Tamma -	Independent Non-executive- Chairperson

Particulars of loans, guarantees or investments under section 186

In the Financial Year 2019-20, 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 II 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: 32.3
- b. The ratio of remuneration of Whole Time Director to the median remuneration of the employees of the Company for the financial year: 4.5
- c. No other directors are paid remuneration except sitting fees
- d. The number of permanent employees on the rolls of the Company: 148

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.

Vigil Mechanism/ Whistle Blower Policy

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 in terms of regulation 22 of the SEBI Listing Regulation (URL: www.danlawtechnologies.com).

Obligation of Company under the Sexual Harassment of Women Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year 2019-2020, the Company has not received any complaint of sexual harassment against women employees of the Company.

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

The Secretarial audit report for the financial year 2019-20 has briefed on compliance of industry-based disclosures and concerned laws governing the company.

Managements Discussion And Analysis:

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

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 2019-20.

CORPORATE GOVERNANCE REPORT:

As per the provisions of 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), the compliances with corporate governance provisions as specified in Regulations 17 to 27 are applicable to the Company only if it's paid up Capital exceeds Rs. 10 Crores and if Net worth is above Rs. 25 Crores.

As on 31st March, 2020, the paid up share capital of the company is Rs. 3,70,74,900 which does not exceed Rs. 10 Crores limit and the Net Worth of the Company is Rs. 21,08,53,715/- which does not cross Rs. 25 Crores.

Hence, the compliance of provisions of Regulations 17 to 27 of SEBI (LODR) Regulations are not applicable to the Company.

In light of the above, Corporate Governance Report is not applicable to the Company during the period under review.

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.

**By order of the Board
For Danlaw Technologies India Ltd**

**Place : Hyderabad
Date : 22-08-2020**

**Raju S Dandu
Chairman
(DIN : 00073484)**

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

Part "A": Subsidiaries

1	Sl. No.	1	2
2	Name of the Subsidiary	Danlaw Technologies Inc	Danlaw Electronics Assembly Limited
3	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	Same as holding company April 1 st to March 31 st	Same as holding company April 1 st to March 31 st
4	Reporting currency and exchange rate as on the last date of relevant financial year in the case of foreign subsidiary	United State Dollar (USD) Rs.75.39 per USD	Rs.
5	Share capital	2,95,66,245	5,16,96,750
6	Reserves & surplus	3,67,08,803	9,35,97,055
7	Total Assets	6,87,02,305	40,54,23,775
8	Total Liabilities	24,27,257	26,01,29,971
9	Investments	-	-
10	Turnover	2,90,84,523	3,94,52,944
11	Profit before taxation	38,70,643	(2,75,64,668)
12	Provision for taxation	8,91,202	(52,54,936)
13	Profit after taxation	29,79,441	(2,23,09,732)
14	Proposed dividend	-	-
15	% of share holding	100	70

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 2019-20.

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 / DI
- 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 / DI on rate not detrimental to the interest of the company.

- e. Date(s) of approval by the Board, if any: May 20, 2019. All 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

Place : Hyderabad
Date : 22-08-2020

On behalf of the board of directors,
Raju S Dandu
Chairman
(DIN : 00073484)

Form No. MGT-9

Annexure III

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I	CIN	L72200TG1992PLC015099
li	Registration Date	December 3, 1992
lii	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	Plot no.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 Tel: 91 40 2354 2499, Fax: 91 40 2354 1671 Email: investor.relations@danlawtechnologies.com Website: www.danlawtechnologies.com
vi	Whether listed company	: Yes
viii	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited(formerly known as Karvy Fintech Private Limited) Selenium Building, Tower-B, Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032 Tel : 040-6716 2222, Fax : 040-2300 1153 Email: einward.ris@kfintech.com Website: www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Computer Programming, Consultancy and Related Activities	620	34
2.	Industrial electronics	264	63

III. Particulars of Holding &Subsidiary

Sr.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	(% of shares)	Applicable Section
1	Danlaw Technologies Inc Address : 41131,Vicenti Court, Novi, Michigan 48375, USA	-	Subsidiary	100	2(87)
2	Danlaw Electronics Assembly Limited Address : L-15, Electronic City Verna , Salcete, Goa, India	U33301GA1991PLC001148	Subsidiary	70	2(87)

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

i. Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
a.	Individuals / Hindu Undivided Family	265913	0	265913	7.17	206913	0	206913	5.58	1.59
b.	Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	1461592	0	1461592	39.42	1461592	0	1461592	39.42	0
d.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e.	Others -	0	0	0	0	0	0	0	0	0
	Sub-Total (A) (1)	1727505	0	1727505	46.60	1668505	0	1668505	45	1.60
2.	Foreign									
a.	Individuals (Non-Resident Individuals / Foreign Individuals)	123300	0	123300	3.33	182300	0	182300	4.92	1.59
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	3.33	182300	0	182300	4.92	1.59
	Total Shareholding of Promoter and Promoter Group (A)	1850805	0	1850805	49.92	1850805	0	1850805	49.92	0
B.	Public Shareholding									
1.	Institutions									
a.	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
c.	Central Government / State Governments(s)	43000	0	43000	1.16	43000	0	43000	1.16	0
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0	0	0

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Portfolio Investors (Corporate)	0	0	0	0	0	0	0	0	0
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)		43000	0	43000	1.16	43000	0	43000	1.16	0
2.	Non-Institutions									
a.	Bodies Corporate	101215	1400	102615	2.77	97759	1400	99159	2.69	0.08
b.	Individuals -									
i.	Individual shareholders holding nominal share capital upto Rs. 2 lakh	1118965	17541	1136506	30.65	1130782	17341	1148123	30.97	0.32
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	515889	0	515889	13.91	490147	0	490147	13.22	0.69
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other NRI	56667	0	56667	1.53	71715	0	71715	1.93	0.4
i.	Foreign Companies	0	0	0	0.000	0	0	0	0.000	0.000
ii.	Clearing Members / Clearing House	2008	0	2008	0.05	4541	0	4541	0.12	0.07
Sub-total (B) (2)		1794744	18941	1813685	48.92	1794944	18741	1813685	48.92	0
Total Public Shareholding (B) = (B)(1)+(B)(2)		1837744	18941	1856685	50.08	1837944	18741	1856685	50.08	0
TOTAL (A)+(B)		3688549	18941	3707490	100	3688749	18741	3707490	100	0
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.00
GRAND TOTAL (A)+(B)+(C)		3688549	18941	3707490	100	3688749	18741	3707490	100	0.00

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/encumbered 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	39.42	0.00	1461592	39.42	0.00	0.00
2.	Srinivas Dandu	63200	1.70	0.00	63200	1.70	0.00	0.00
3.	Pallavi Dandu	60100	1.62	0.00	60100	1.62	0.00	0.00
4.	Lakshmi Dandu	59000	1.59	0.00	59000	1.59	0.00	0.00
5.	D Lakshmi	60100	1.62	0.00	60100	1.62	0.00	0.00
6.	D Venkat Raju	52800	1.42	0.00	52800	1.42	0.00	0.00
7.	Pallamma Dandu	46300	1.25	0.00	46300	1.25	0.00	0.00
8.	D Praveen Varna	39713	1.07	0.00	39713	1.07	0.00	0
9.	B V Ramana	8000	0.22	0.00	8000	0.22	0.00	0.00
	Total	1850805	49.92	0.00	1850805	49.92	0.00	0.00

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

Sr. No.		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.	At the beginning of the year	<i>There is no change in Promoters' Shareholding between 01.04.2019 to 31.03.2020</i>			
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity 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 01-04-2019		Cumulative Shareholding end of the year 31-03-2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajesh Joseph	105434	2.84	70100	1.89
2.	V Subba Raju Namburi	56500	1.52	56500	1.52
3.	Vivekanand Gangaramani	25011	0.67	48100	1.30
4.	Vaibhav Mishra	52354	1.41	47619	1.28
5.	Vamshidhar Patibandla	50000	1.35	47000	1.27
6.	Karthik Reddy A	44085	1.19	44085	1.19
7.	Pannu Bhansali	30775	0.83	30284	0.82
8.	Dilip Nagda	26914	0.73	-	-
9.	Vivekanand Gangaramani	25011	0.67	48100	1.30
10.	Anita Dalal	25000	0.67	25000	0.67

*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 Shareholder	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-2019	At the beginning of year	Nil	Nil	Nil	Nil
			31-Mar-20	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.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	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)	-	-	-	-

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Name of the MD/WTD/Manager
		Mr. Sirish Batchu*	Mr. Raju S Dandu#
1.	Gross salary	In Rs	In Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11,74,504	18,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	4,353
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit	-	-
5.	Others, Allowances	50,0000	-
	Total (A)	12,24,504	18,04,353

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. N S Sappata	1,00,000	-	1,00,000
	Mr. T Ravi Kumar	1,10,000	-	1,10,000
	Mr. K N Praveen Kumar	1,00,000	-	1,00,000
	Mrs. P Sundaramma	70,000	-	70,000
	Mr. Sirish Batchu*		-	
	Total (1)			

*

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	Mr. Gaurav Padmawar CS	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18,80,400	5,30,299	24,106,99
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-		
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-		
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission - as % of profit	-		
5.	Others, Allowances	-		
	Total	18,80,400	5,30,299	24,106,99

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

To
The Members
Danlaw Technologies India Limited
Plot No.43, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Danlaw Technologies India Limited** (hereinafter called the company) bearing **CIN L72200TG1992PLC015099**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Danlaw Technologies India Limited**, 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2020**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Danlaw Technologies India Limited** ("the Company"), a **Listed Public Company** for the financial year ended on **31st March 2020** 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) SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
- e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018;

(vi) **General and other labour laws:** applicable to the company, as mentioned below:

- a) Employees State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- b) Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
- c) Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- d) Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- e) Andhra Pradesh Shops and Establishment Act, 1988 and various respective State laws;
- f) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

(vii) **Industry Specific Laws:** The Company is engaged in the business of Software Technology. The management has identified and confirmed the compliances of the following laws being specifically applicable to the Company are as under:

- a) Information Technology Act 2000; Information (Amendment) Act 2008 and Rules for the
- b) Information Technology Act 2000
- c) Software Technology Parks of India and Rules and Regulations thereon
- d) The Indian Copyright Act, 1957
- e) The Patents Act, 1970
- f) The Trademarks Act, 1999

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We 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 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.

We 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.

We further report that during the audit period the company not entered into / carried out any activity that has major bearing on the company's affairs.

For **MNM & Associates**
Company Secretaries
Firm Registration No. P2017TL059600

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date: 22 August, 2020
Place: Hyderabad

Annexure A

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We 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.

For **MNM & Associates**
Company Secretaries
Firm Registration No. P2017TL059600

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date: 22 August, 2020
Place: Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The financial statements have been prepared in compliance with accounting standards IND AS. 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.

Market Scenario and Trends

The economic impact of the COVID-19 pandemic is likely to be significant as pointed out by several global experts. As the effects of the virus slows down, countries and economies are expected to regain economic momentum.

The automotive industry in India was pulling itself up from a prolonged slump when the pandemic threw everything out of gear. The Indian automotive industry produced a total 26.36 Million vehicles including Commercial Vehicles, Two Wheelers, Passenger Vehicles & Three Wheelers during the period April-March 2020, registering a de-growth of (-) 14.73 percent over the same period last year.

While the short term looks challenging, the long-term outlook continues to remain positive and strong, with the current phase seen only as a temporary one. We believe that recovery is likely to be gradual.

There is marked optimism among the Indian OEMs to adopt new age Digital solutions like Telematics and associated services, where your company continues to stay focussed, invested to create cutting edge products and solutions.

Opportunities

The COVID-19 outbreak is bringing in a major change in the way automotive industry adopts Digitisation. Digital initiatives are being seen as a necessary key enabler, for enhancing the customer experience and to boost sales. Automotive OEMs are prioritising investments in digital platforms than ever before.

The automotive OEM Telematics Market Size in India is anticipated to grow at a significant growth rate presenting a significant opportunity for your company. Some of the factors fuelling the growth for telematics services in India are:

Government rules and regulations for telematics

Government rules and regulations for the safety, security, and tracking of vehicles in different regions drives the growth of the telematics market. For instance, in April 2018, government of India passed rule for all the public transport vehicles over six-seater capacity should have tracking device installed in them. Therefore, government regulations for vehicle telematics fuels the growth of the market.

Rising trend of connectivity solutions

Smartphones have changed the definition of connectivity over time. People wish to stay connected with the outer world even while travelling. Now that connectivity has become the need of the hour, automobile manufacturers adopt connectivity solutions in their vehicles to boost their automobile sales. Consumers are expecting their vehicles to perform tasks similar to computers and smart phones. Adding connectivity solutions in the vehicle has become the topmost priority for automobile manufacturers. Connectivity can be provided in a car using embedded, integrated, or tethered connectivity solutions. The automotive industry is witnessing a phase of digital revolution. Therefore, the telematics market is expected to grow at a promising rate due to the rise in customer demands for staying connected 24*7 even while travelling.

Ease in vehicle diagnosis

Advanced diagnostic systems are expected to boost the growth of the commercial telematics market. In advanced diagnostics, the system in the vehicle will supply data of the vehicle to both the automobile dealer / service point and the customer, which can help predict potential automobile issues before they take place in the field.

In fleet management, it is easy to track vehicle records and decide which vehicle has travelled the most and accordingly offer service with the help of connectivity solutions. The diagnostic service offered is an efficient way to diagnose the status of the vehicles. It allows the consumers to manage the maintenance of their vehicle, thus saving money and time by avoiding unwanted expenses & breakdowns. The system provides a maintenance schedule and timely reminders to the consumer. The diagnostic system keeps a track of the smoke emission and fuel consumption of the vehicles, thereby monitoring its engine health. This service sends a detailed report about the vehicle to the decision maker who decides on the service schedules for the automobile. Thus, ease of vehicle diagnosis with the help mobile applications is expected to fuel the growth of the market.

Globally, the vehicle telematics market is expected to grow from \$39 Billion to about \$103 Billion by 2022. In that time frame APAC, which includes India, is expected to grow to be the leading contributor to the CV telematics market. (Courtesy Roland Berger report). Commercial Vehicle telematics market is expected to grow at 25% per annum.

Telematics ecosystem will involve diversified competencies:

- Manufacturing of hardware
- Distribution Connected Vehicle devices
- Connectivity Hardware
- Connectivity Services
- Data Analytics and knowledge generation
- Creation of applications and software.

The opportunities for Indian telematics providers include:

- Connectivity solutions
- Driver assistance and related services
- IT services including Cyber security

Threats, Risks and Concerns

The Indian telematics industry remains highly competitive. The competitive environment is further expected to intensify with increasing product extensions, more advanced offerings, technological innovations, and Mergers & Acquisitions.

To remain competitive, we keep abreast of global developments as well as emerging technologies and develop innovative solutions of our own.

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. Your company has taken steps to address these unforeseen events and minimize the impact on the company.

Performance and Business Outlook

Your company's Engineering Division continues to create Intellectual Property by developing various hardware and software solutions to address the domestic opportunities. Some of the products are going into production phase as well as new products are being piloted at several existing and potential new 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

Your company continues to expand its 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 focuses on strict implementation of these policies and procedures to safeguard 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.

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. 3,70,74,900/ comprising of 37,07,490 Equity Share of Rs. 10/each.

The net Revenue for current year are Rs.5608.13 Lakhs as compared to Rs.5555.85 Lakhs in the last fiscal year. The net loss after tax is Rs.520.41 Lakhs as compared to Loss of Rs.91.12 Lakhs in the previous FY. Due to slow down in the Automotive industry (the main source of your company's revenue) during the year, your company's continued investments in R&D, the company has incurred loss.

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 238 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.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Danlaw Technologies India Limited
Plot No.43, Sagar Society, Road No.2,
Banjara Hills, Hyderabad – 500034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Danlaw Technologies India Limited** having CIN **L72200TG1992PLC015099** and having registered office at Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of Director	DIN	Date of Appointment in the Company
1	Raju Satyanarayana Dandu	00073484	19/11/1999
2	Sundaramma Patibandla	02366355	25/03/2015
3	Nagasatyanarayana Sappata	02423978	31/10/2008 (Designated as Independent Director on 30/09/2014)
4	Kotti Nanda Praveen Kumar	03147134	19/07/2010 (Designated as Independent Director on 30/09/2014)
5	Ravi Kumar Thamma	05306747	25/06/2012 (Designated as Independent Director on 30/09/2014)
6	Sirish Batchu	08335245	11/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MNM & Associates**
Company Secretaries
Firm Registration No. P2017TL059600
Sridevi Madati
Partner
M.No.F6476
COP 11694

Date: 22 August, 2020
Place: Hyderabad

DECLARATION BY MD PURSUANT TO SCHEDULE V (D) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required by Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website. I confirm that the Company has in respect of the financial year ended March 31, 2020, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Place: Hyderabad
Date: Aug 22, 2020

Sirish Batchu
Managing Director
DIN : 08335245

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Sirish Batchu, 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 2020 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 : June 30, 2020

(Sirish Batchu)
Managing Director
DIN: 08335245

(AVRK VARMA)
CFO



INDEPENDENT AUDITOR'S REPORT

To
The Members of
DANLAW TECHNOLOGIES INDIA LIMITED

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**for CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S**

**Place: Hyderabad
Date : 30.06.2020**

**(CA.APPIREDDY .E)
PARTNER
Membership No.241515**

UDIN: 20241515AAAAAA1632

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year as per a programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable property is held by the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has not 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 provisions of paragraph 3 Clause (iii) of the Order are not applicable to this company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not given any loans, investments, guarantees and security during the year as per the provisions of sections 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under subsection (1) of section 148 of the Companies Act for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax (GST), custom duty, cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and Services Tax (GST), customs duty and cess were in arrears, wherever applicable, as at 31st March, 2020 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 income tax, Goods and Services Tax (GST), customs duty and cess which have not been deposited on account of any dispute.

- (viii) The company has not availed any loans or borrowing from a financial institution or banks. Accordingly, paragraph 3 (viii) of the Order is not applicable..
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3 (xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Hyderabad
Date : 30.06.2020

for CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S

(CA.APPIREDDY. E.)
PARTNER
Membership No.241515

UDIN: 20241515AAAAAA1632

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad

Date : 30.06.2020

**for CSVR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S**

**(CA.APPIREDDY.E)
PARTNER
Membership No.241515**

UDIN: 20241515AAAAAA1632

DANLAW TECHNOLOGIES INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,93,21,652	90,42,983
Other intangible assets	4	3,39,44,421	27,49,418
Right-of-use asset	5	2,34,06,073	-
Financial assets			
(a) Investments	6	15,90,66,245	15,90,66,245
(b) Other financial assets (carried at amortised cost)	7	56,58,758	45,38,074
Deferred tax assets (net)	16	1,06,82,241	10,96,704
Other non-current assets	8	41,72,137	42,38,581
Total Non - Current Assets		25,62,51,527	18,07,32,005
Current Assets			
Inventories	9	73,42,290	2,01,85,708
Financial assets			
(a) Trade receivables	10	3,68,44,779	6,18,18,633
(b) Cash and cash equivalents	11	4,14,96,928	4,61,61,976
(c) Other financial assets (carried at amortised cost)	7	10,66,658	11,38,519
Tax assets	15	14,21,289	16,87,783
Other current assets	8	4,78,40,843	3,47,01,838
Total Current assets		13,60,12,787	16,56,94,457
Total Assets		39,22,64,314	34,64,26,463
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	3,70,74,900	3,70,74,900
Other equity	13	17,37,78,815	20,46,08,204
Equity attributable to owners of the Company		21,08,53,715	24,16,83,104
Non-current liabilities			
Financial Liabilities			
(a) Other financial liabilities	14	26,06,012	23,68,512
Leasehold Liabilities	5	1,02,43,663	-
Other non-current liabilities	17	26,38,885	28,99,488
Total Non-current liabilities		1,54,88,560	52,67,999
Current liabilities			
Financial liabilities			
(a) Trade payables	18	3,26,43,534	6,64,49,677
(b) Other financial liabilities	14	2,91,252	14,50,703
Provisions	15	21,22,295	34,40,795
Current tax liabilities, net	15	-	8,11,195
Leasehold Liabilities	5	1,44,80,382	-
Other current liabilities	17	11,63,84,576	2,73,22,990
Total Current liabilities		16,59,22,039	9,94,75,360
Total liabilities		18,14,10,599	10,47,43,360
Total Equity and liabilities		39,22,64,314	34,64,26,463
Corporate information and significant accounting policies	1 & 2		
The accompanying notes form an integral part of the financial statements	3-30		

As per our report attached
For **CSV & ASSOCIATES**
Chartered Accountants
FRN: 012121S

(CA.APPIREDDY.E)
Partner
Membership No: 241515

Hyderabad
June 30, 2020

for and on behalf of the Board
SIRISH BATCHU **RAVI KUMAR TAMMA**
Managing Director Director
DIN: 08335245 DIN: 05306747

A V R K VARMA **Gaurav Padmawar**
Chief Financial Officer Company Secretary
Membership No: ACS 44421

DANLAW TECHNOLOGIES INDIA LIMITED
Statement of Profit and Loss for the period ended March 31, 2020

Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
INCOME			
Revenue from operations	19	15,34,25,185	25,81,97,573
Other income (net)	20	1,14,51,003	76,96,467
Total income		16,48,76,188	26,58,94,040
EXPENSES			
Cost of materials consumed	22	5,93,07,331	13,52,46,331
Purchases of stock-in-trade		17,73,766	14,06,326
Changes in inventories of finished goods and work-in-progress	23	(4,61,993)	(4,50,624)
Employee benefits expense	21 & 26	9,28,81,069	8,99,33,901
Finance costs	24	24,26,156	2,06,763
Depreciation and amortisation expense	25	1,87,85,085	28,18,176
Other operating expenses	26	3,30,98,928	3,25,02,615
Total expenses		20,78,10,342	26,16,63,488
Profit before tax		(4,29,34,154)	42,30,552
Tax expense			
Current tax	16	-	8,11,195
Prior period tax	16	24,546	(2,60,483)
Deferred tax	16	(1,02,47,511)	6,22,294
Total tax expense		(1,02,22,965)	11,73,006
Profit for the year		(3,27,11,189)	30,57,546
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		25,42,975	(11,801)
(b) Income tax relating to items that will not be reclassified to profit or loss		(6,61,174)	3,068
Total other comprehensive income /(Losses)		18,81,801	(8,733)
Total comprehensive income for the year		(3,08,29,388)	30,48,813
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)			
Basic (Rs.)		(8.82)	0.82
Diluted (Rs.)	30	(8.82)	0.82
Corporate information and significant accounting policies			
The accompanying notes form an integral part of the statements	1 & 2 3-30		

As per our report attached

for and on behalf of the Board

For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 0121215

SIRISH BATCHU
Managing Director
DIN: 08335245

RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.APPRIREDDY.E)
Partner
Membership No: 241515

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
June 30, 2020

DANLAW TECHNOLOGIES INDIA LIMITED
Statement of changes in equity for the year ended March 31, 2020

a. Equity

Particulars	Number of Shares	Amount
Balance at March 31, 2018	37,07,490	3,70,74,900
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	37,07,490	3,70,74,900
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	37,07,490	3,70,74,900

b. Other Equity

Particulars	Reserves and Surplus		Items of OCI	Total
	Securities premium reserve	Retained earnings		
Balance at March 31, 2018	26,51,02,850	(6,32,44,682)	(2,98,778)	20,15,59,390
Remeasurement of net defined benefit liability/asset, net of tax effect			(8,732)	(8,732)
Profit for the year		30,57,546		30,57,546
Balance at March 31, 2019	26,51,02,850	(6,01,87,136)	(3,07,510)	20,46,08,204
Remeasurement of net defined benefit liability/asset, net of tax effect			18,81,800	18,81,800
Profit for the year		(3,27,11,189)		(3,27,11,189)
Balance at March 31, 2020	26,51,02,850	(9,28,98,325)	15,74,290	17,37,78,815

As per our report attached
For **CSV & ASSOCIATES**
Chartered Accountants
FRN: 0121215

SIRISH BATCHU
Managing Director
DIN: 08335245

for and on behalf of the Board
RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.APPIREDDY.E)
Partner
Membership No: 241515

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
June 30, 2020

DANLAW TECHNOLOGIES INDIA LIMITED
Statement of Cash Flows

Particulars	For the year ended		For the year ended	
	March 31, 2020		March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	(4,03,91,179)		42,18,751	
<i>Adjustments for:</i>				
Depreciation and amortisation expense	46,34,735		28,18,176	
Operating profit before working capital changes		(3,57,56,444)		70,36,927
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	2,49,73,854		7,53,55,270	
Other financial assets	(1,41,21,382)		(3,72,60,864)	
Inventories	1,28,43,418		(17,17,725)	
Other assets	(2,31,39,579)		2,91,956	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(3,38,06,143)		2,45,93,518	
Other financial liabilities	(9,21,951)		35,72,181	
Other liabilities	11,27,13,833		2,36,36,242	
Provisions	(13,18,500)		17,13,443	
Cash generated from operations		4,14,67,106		9,72,20,948
Net income tax paid		(23,746)		(5,50,712)
Net cash flow from operating activities (A)		4,14,43,360		9,66,70,236
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(1,39,49,416)		(56,06,473)	
Investment in Research & Development	(3,21,58,992)		-	
Purchase of long-term investments	-		(12,95,00,000)	
Net cash (used in) / flow from investing activities (B)		(4,61,08,408)		(13,51,06,473)
Net (decrease) in Cash and cash equivalents (A+B+C)		(46,65,048)		(3,84,36,237)
Cash and cash equivalents at the beginning of the year		4,61,61,976		8,45,98,213
Cash and cash equivalents at the end of the year (Refer Note (i) below)		4,14,96,928		4,61,61,976

As per our report attached
For **CSV & ASSOCIATES**
Chartered Accountants
FRN: 0121215

SIRISH BATCHU
Managing Director
DIN: 08335245

for and on behalf of the Board
RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.APPIREDDY.E)
Partner
Membership No: 241515

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
June 30, 2020

3. Property, plant and equipment and capital work -in-progress

Description of Assets	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
I. Cost or deemed cost								
Balance as at March 31, 2018	14,84,850	73,04,804	31,61,503	7,52,327	87,77,555	27,78,942	45,44,721	2,88,04,702
Additions	-	12,31,049	6,39,829	96,239	4,66,090	3,78,482	-	28,11,689
Balance as at March 31, 2019	14,84,850	85,35,853	38,01,332	8,48,566	92,43,645	31,57,424	45,44,721	3,16,16,391
Additions	-	23,06,499	47,86,754	6,60,455	38,60,670	22,67,038	-	1,38,81,416
Balance as at March 31, 2020	14,84,850	1,08,42,352	85,88,086	15,09,021	1,31,04,315	54,24,462	45,44,721	4,54,97,807
II. Accumulated depreciation								
Balance as at March 31, 2018	5,47,577	41,15,533	13,10,467	3,46,178	82,95,969	22,07,135	33,46,242	2,01,69,101
Depreciation expense for the year	49,446	13,84,267	3,20,919	1,22,884	83,819	1,06,822	3,36,150	24,04,307
Balance as at March 31, 2019	5,97,023	54,99,800	16,31,386	4,69,062	83,79,788	23,13,957	36,82,392	2,25,73,408
Depreciation expense for the year	49,446	18,88,447	4,97,066	2,12,743	3,46,719	2,72,176	3,36,150	36,02,747
Balance as at March 31, 2020	6,46,469	73,88,247	21,28,452	6,81,805	87,26,507	25,86,133	40,18,542	2,61,76,155
III. Carrying Amount								
Carrying Amount	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
Balance as at March 31, 2018	9,37,273	31,89,271	18,51,036	4,06,149	4,81,586	5,71,807	11,98,479	86,35,601
Additions	-	12,31,049	6,39,829	96,239	4,66,090	3,78,482	-	28,11,689
Depreciation expense	(49,446)	(13,84,267)	(3,20,919)	(1,22,884)	(83,819)	(1,06,822)	(3,36,150)	(24,04,307)
Balance as at March 31, 2019	8,87,827	30,36,053	21,69,946	3,79,504	8,63,857	8,43,467	8,62,329	90,42,983
Additions	-	23,06,499	47,86,754	6,60,455	38,60,670	22,67,038	-	1,38,81,416
Depreciation expense	(49,446)	(18,88,447)	(4,97,066)	(2,12,743)	(3,46,719)	(2,72,176)	(3,36,150)	(36,02,747)
Balance as at March 31, 2020	8,38,381	34,54,105	64,59,634	8,27,216	43,77,808	28,38,329	5,26,179	1,93,21,652

4 : Other intangible assets

Description of Assets	Computer software	R & D Expenses	Total
I. Cost or deemed cost			
Balance as at March 31, 2018	30,77,700	-	30,77,700
Additions	27,94,784	-	27,94,784
Balance as at March 31, 2019	58,72,484	-	58,72,484
Additions	68,000	3,21,58,992	3,22,26,992
Balance as at March 31, 2020	59,40,484	3,21,58,992	3,80,99,476
II. Accumulated depreciation and impairment			
Balance as at March 31, 2018	27,09,196	-	27,09,196
Amortisation expense for the year	4,13,870	-	4,13,870
Balance as at March 31, 2019	31,23,066	-	31,23,066
Amortisation expense for the year	10,31,989	-	10,31,989
Balance as at March 31, 2020	41,55,055	-	41,55,055
III. Carrying Amount			
Balance as at March 31, 2018	3,68,504	-	3,68,504
Additions	27,94,784	-	27,94,784
Depreciation expense	4,13,870	-	4,13,870
Balance as at March 31, 2019	27,49,418	-	27,49,418
Additions	68,000	3,21,58,992	3,22,26,992
Depreciation expense	10,31,989	-	10,31,989
Balance as at March 31, 2020	17,85,429	3,21,58,992	3,39,44,421

Research and Development :

Direct expenses incurred on R&D during the year for the development of products are treated as deferred revenue expenditure. The amount shall be amortized against the revenues to be earned over period of time, to be determined at the time of product launch.

5. Leasehold Liabilities

The Company has adopted Ind AS 116 "Leases" with the date of inception of the lease being April 1, 2019 and has discounted lease payments using

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.7%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Amount as on 01-04-2019	Additions	Termination during the year	Amortisation	Carrying Value as on 31-03-2020
Leasehold - Land	-	3,75,56,423	-	(1,41,50,350)	2,34,06,073

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	31-Mar-20
Current	1,44,80,382
Non - Current	1,02,43,663
Total	2,47,24,045

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	31-Mar-20
Balance as on 01-04-2019	-
Additions to lease Liabilities	3,75,56,423
Termination during the year	-
Interest Expense	21,75,122
Cash Outflows during the year	(1,50,07,500)
Balance as on 31-03-2020	2,47,24,045

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	1 year	1-3 years	3-5 years
Undiscounted Future Cash Outflows	2,19,13,310	6,13,57,947	6,21,02,136

Cash Outflows to which lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising

6. Investments

Particulars	As at	
	March 31, 2020	March 31, 2019
A. Non-current investments (Refer Note 1 below)		
Investment carried at cost		
(i) Equity instruments of Subsidiaries (unquoted)		
Danlaw Technologies Inc, USA	2,95,66,245	2,95,66,245
Danlaw Electronics Assembly Ltd	12,95,00,000	12,95,00,000
	15,90,66,245	15,90,66,245

Particulars	As at March 31, 2020		As at March 31, 2019	
	QTY	Amount	QTY	Amount
Investments In Subsidiaries				
I. Unquoted Investments (all fully)				
Investments in Equity Instruments				
- of Subsidiaries				
(a) - Wholly owned subsidiary (Danlaw Technologies Inc)	64,000	\$ 6,40,000	64,000	\$ 6,40,000
(b) - Subsidiary (Danlaw Electronics Assembly Ltd)	36,18,772		36,18,772	

7. Other financial assets (carried at amortised cost)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Security deposits		
- Secured, considered good		
- Unsecured, considered good	56,58,758	45,38,074
Total non-current other financial	56,58,758	45,38,074
Current		
Interest accrued on deposits	9,06,780	9,78,641
Security deposits	1,59,878	1,59,878
Total current other financial	10,66,658	11,38,519
Total other financial assets	67,25,416	56,76,593

8. Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Prepaid expenses	41,72,137	42,38,581
Total non-current assets	41,72,137	42,38,581
Current:		
Prepaid expenses	25,55,399	9,38,994
Balance with government	21,54,442	1,02,960
Advances recoverable in cash or	4,27,77,077	3,36,59,884
Lease Rentals Equalisation	3,53,925	-
Total current assets	4,78,40,843	3,47,01,838
Total other assets	5,20,12,980	3,89,40,419

9. Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Inventories (lower of cost and net)		
Raw materials	41,58,410	1,74,63,821
Finished goods	31,83,880	27,21,887
Total	73,42,290	2,01,85,708

10. Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables Non Current		
Trade receivables - Current		
Unsecured, considered good	3,68,44,779	6,18,18,633
Doubtful		
Total	3,68,44,779	6,18,18,633

Note - 11: Cash and Bank Balances

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances with Banks		
in current accounts	3,22,08,187	1,38,84,199
in deposit accounts	92,73,842	3,22,50,961
Cash on hand	14,899	26,816
Total Cash and cash equivalents	4,14,96,928	4,61,61,976
Cash and cash equivalents as per Statement of Cash flows	4,14,96,928	4,61,61,976

12. Equity share capital

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Authorised share capital: 5000000 fully paid up equity shares	5,00,00,000	5,00,00,000
Issued and subscribed capital: Issued Equity Share capital	3,70,74,900	3,70,74,900
Total	3,70,74,900	3,70,74,900

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at March 31, 2018	37,07,490	3,70,74,900
Issue of shares under the Buyback of shares	-	-
Balance at March 31, 2019	37,07,490	3,70,74,900
Issue of shares under the Buyback of shares	-	-
Balance at March 31, 2020	37,07,490	3,70,74,900

(B) Details of shares held by each shareholder holding more than 5% shares

	As at March 31		As at March 31	
	2020		2019	
	Number of shares	% holding of	Number of shares	% holding of
Fully paid equity shares Danlaw Systems India Limited	14,61,592	39.29%	14,61,592	39.29%

13. Other equity excluding non-controlling interests

Particulars	As at March 31	As at March 31
	2020	2019
General reserve		
Securities premium account	26,51,02,850	26,51,02,850
Retained earnings	(9,13,24,035)	(6,04,94,646)
Balance at end of year	17,37,78,815	20,46,08,204

13.2 Securities premium reserve	As at March 31	As at March 31
	2020	2019
Balance at beginning of year	26,51,02,850	26,51,02,850
Used for Buybak of shares	-	-
Balance at end of year	26,51,02,850	26,51,02,850

13.3 Retained earnings	As at	As at
	March 31, 2020	March 31, 2019
Balance at beginning of year	(6,04,94,647)	(6,35,43,460)
Profit attributable to owners of the Company	(3,27,11,189)	30,57,546
Remeasurements of the defined benefit plans	18,81,801	(8,733)
Balance at end of year	(9,13,24,035)	(6,04,94,647)

14. Other financial liabilities

Particulars	As at March 31,	As at March 31,
	2020	2019
Non - Current		
Retention monies		
Security deposits	26,06,012	23,68,512
Total	26,06,012	23,68,512
Current		
(i) Others	2,91,252	14,50,703
Total	2,91,252	14,50,703

15. Provisions

Particulars	As at March 31,	As at March 31,
	2020	2019
Provisions		
Employee benefits	21,22,295	34,40,795
Current	21,22,295	34,40,795

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Stand alone financial statements

16. Income taxes

16.1 Deferred tax balance

Particulars	As at March 31,		
	2020	2019	
Deferred tax assets	12,64,186	12,64,986	
Deferred tax liabilities	(9418055)	168282	
Total	106,82,241	10,96,704	

2019-20	Opening Balance	Recognised in profit or loss	Closing balance'
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	(4,546)	(27,317)	(31,863)
Employee benefit expense OCI	(1,63,736)	(6,61,174)	(8,24,910)
MAT Credit	12,64,986	(800)	12,64,186
Others	-	1,02,74,828	1,02,74,828
Total	10,96,704	95,85,537	1,06,82,241

16.2. Tax assets and liabilities

Particulars	As at March 31,	
	2020	2019
Tax assets		
Current	14,21,289	16,87,783
Current tax liabilities		
Income tax payable	„0	8,11,195
Total Current tax liabilities	„0	8,11,195

16.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
In respect of the current year	-	8,11,195
In respect of prior years	24,546	(2,60,483)
	24,546	5,50,712
Deferred tax		
In respect of the current year	(1,02,47,511)	6,22,294
	(1,02,47,511)	6,22,294

b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Deferred tax		
In respect of the current year	6,61,174	(3,068)
	6,61,174	(3,068)

The Income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing op	(4,03,91,179)	42,18,751
Income tax expense calculated	-	8,11,195
Depreciation adjustment	(1,05,067)	(1,20,691)
Expenses disallowed under Income	13,628	1,69,086
Set off of losses	-	-
Taxable Income	(4,04,82,618)	42,67,146
Tax Rate	0.00%	19.01%

17. Other liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Revenue received in advance	26,38,885	28,99,488
Total	26,38,885	28,99,488
Current		
Advance from customers	11,35,36,052	2,49,78,524
Statutory remittances	25,82,291	21,95,594
Others	2,66,233	1,48,872
Total	11,63,84,576	2,73,22,990

18. Trade Payables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade Payables - Current		
Dues to micro enterprises and Dues to creditors other than micro	3,26,43,534	6,64,49,677
Total	3,26,43,534	6,64,49,677

19. Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services	7,07,85,419	9,28,64,091
Sale of products	8,26,39,766	16,53,33,482
Total	15,34,25,185	25,81,97,573

20. Other income (net)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on financial assets carried at amortised cost		
Bank deposits	4,10,453	25,46,362
Interest on Income Tax	4,08,006	-
Others - Ind AS	4,55,268	1,30,043
	12,73,727	26,76,405
Other non-operating income		
Lease Rentals	94,38,000	15,73,000
Lease Rentals - Ind AS	3,53,925	-
Financial lease contingent rental income (net of expenses directly attributable to such income)	-	-
Liabilities no longer required, written back	-	-
Miscellaneous income (net)	3,85,351	1,16,984
	1,01,77,276	16,89,984
Other gains and losses		
Net foreign exchange gain	-	33,30,078
	-	33,30,078
Total	1,14,51,003	76,96,467

21. Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus	7,94,74,696	7,81,87,360
Contribution to provident and other funds	87,45,575	81,77,324
Staff welfare expenses	46,60,798	35,69,217
Total	9,28,81,069	8,99,33,901

22. Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Opening stock	174,63,821	161,96,720
(b) Add: Purchases	4,60,01,920	1365,13,432
(c) Less: Closing stock	41,58,410	174,63,821
	5,93,07,331	1352,46,331

23. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock:		
Finished goods	27,21,887	22,71,263
Work-in-progress	-	-
	27,21,887	22,71,263
Closing Stock:		
Finished goods	31,83,880	27,21,887
Work-in-progress	-	-
	31,83,880	27,21,887
Net (increase) / decrease	(4,61,993)	(4,50,624)

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Stand alone financial statements

24. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Interest Ind AS	24,12,622	37,677
- Other interest expense	13,534	1,69,086
Total	24,26,156	2,06,763

25. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	36,02,747	24,04,306
Amortisation of intangible assets	151,82,338	4,13,870
Total	187,85,085	28,18,176

26. Other operating expenses

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Rent including lease rentals (Refer		78,36,170		98,70,676
Rates and taxes		7,08,695		4,05,159
Insurance		1,12,648		1,74,554
Freight Outwards		4,41,002		6,49,099
Travelling and conveyance		68,21,430		65,08,571
Sub-contracting charges		33,20,738		21,01,967
Communication		5,43,625		6,29,372
Printing and stationery		3,28,635		3,16,389
Power and fuel		18,82,773		14,70,180
Marketing and advertising		2,31,954		37,790
Repairs and maintenance				
- Buildings		7,68,894		4,68,527
- Machinery		2,49,973		3,06,175
- Security		6,69,424		4,76,260
- House Keeping		6,74,777		5,00,364
- Vehicles		3,87,798		3,60,298
- Office Maintenance		4,25,837		1,75,045
Directors Remuneration				
- Non executive directors	-	-	-	-
- Directors sitting fees	4,60,000	4,60,000	3,80,000	3,80,000
Legal & professional charges				
Trade receivables written off (net)			12,02,277	
Less: Reversal of provision for	-	-	-	12,02,277
Auditors' remuneration (Refer Note		3,15,540		2,25,200
Recruitment expenses		3,41,111		1,91,766
Foreign exchange loss		12,73,337		-
Depository Registrar Fee		2,48,663		2,14,487
Listing Fee		3,00,000		2,30,000
Registration/Licences/Filing fee		7,45,965		11,91,058
Professional Fee		32,69,482		36,44,789
Bank charges		4,65,132		5,68,649
Miscellaneous expenses		2,75,325		2,03,963
Total		3,30,98,928		3,25,02,615

i) Auditors' remuneration(net of service tax) comprises of:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Company		
For statutory audit	2,20,000	2,00,000
For other services	89,540	19,000
Reimbursement of expenses	6,000	6,200
Total Auditors' remuneration	3,15,540	2,25,200

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Stand alone financial statements

27. Managerial Remuneration

The following managerial remuneration was paid as per board of director's decision and approved by shareholders.		
Salary	18,00,000	18,00,000
Contribution to PF	2,16,000	2,16,000
Medical	4,353	16,008
Total	20,20,353	20,32,008

28. Contingent Liabilities:

Bank Guarantees	26,54,161	26,54,161
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29. Related party disclosures

Related Party Transaction	Relation	Transactions for the year ended		Balance as at March 31	
		2020	2019	2020	2019
Sales & Services					
Danlaw Technologies Inc	Subsidiary	1,47,44,100	1,63,78,032	(9,00,932)	45,21,712
Danlaw Inc	Associate	4,00,49,987	7,17,14,097	(11,22,58,330)	(2,39,69,475)
Danlaw Electronics Assembly Ltd	Subsidiary	2,67,500	-	-	-
Purchases					
Danlaw Inc	Associate	-	1,03,80,551	66,95,737	91,11,430
Danlaw Electronics Assembly Ltd	Subsidiary	1,29,76,798	37,03,541	-	19,27,570
Remuneration					
Raju S Dandu	KMP	20,20,353	20,32,008	-	-
Lease Rentals					
D Lakshmi	Relative of KMP -	34,52,904	32,88,480	3,18,341	-
DSN Raju	Relative of KMP -	34,52,904	32,88,480	3,18,341	-
Investments					
Danlaw Technologies Inc	Subsidiary	-	-	2,95,66,245	2,95,66,245
Danlaw Electronics Assemble Ltd	Subsidiary	-	12,95,00,000	12,95,00,000	12,95,00,000

The Transactions with related parties have been carried at arm's leng price and also supported by the documentation reflecting the

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Stand alone financial statements

30. Earnings per share

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit after tax	(3,27,11,189)	30,57,546
Basic:		
Number of shares outstanding at	37,07,490	37,07,490
Earnings per share (₹)	-8.82	0.82
Diluted:		
Effect of potential equity shares on		
Weighted average number of equity	37,07,490	37,07,490
Earnings per share (₹)	-8.82	0.82

Note: EPS is calculated based on profits excluding the other comprehensive income

Financial Instruments

Financial instruments by category

The carrying value and fair value of financial instruments carried at amortised cost

Particulars	Level	Carrying Value as at March 31,		Fair Value as at March 31,	
		2020	2019	2020	2019
Assets:					
Non-Current					
Other Financial Assets	3	56,58,758	45,38,074	45,38,074	45,38,074
Current					
Trade receivables	3	3,68,44,779	6,18,18,633	6,18,18,633	6,18,18,633
Cash and cash equivalents	3	4,14,96,928	4,61,61,976	4,61,61,976	4,61,61,976
Other financial assets	3	10,66,658	11,38,519	11,38,519	11,38,519
Total		8,50,67,123	11,36,57,202	11,36,57,202	11,36,57,202
Liabilities:					
Current					
Trade payables	3	3,26,43,534	6,64,49,677	3,26,43,534	6,64,49,677
Total	3	3,26,43,534	6,64,49,677	3,26,43,534	6,64,49,677

There are no financial instruments of the company that are subsequently measured at fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values of the current financial assets and current financial liabilities are taken as fair values because of their short term nature

The fair of non current financial assets is determined by using the discounted cash flow method by the management



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED
IND AS FINANCIAL STATEMENTS**

To
The Members of
M/s. DANLAW TECHNOLOGIES INDIA LIMITED

Report on the Audit of the Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **M/s.DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company"), its subsidiaries Namely Danlaw Technologies Inc. & Danlaw Electronics Assembly Limited (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Management's Responsibility for the Consolidated Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including Consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in the "Annexure A"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Group does not have any pending litigations which would impact its financial position in its consolidated Ind AS financial statements.
 - (ii) The Group has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and

- (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Group in accordance with the relevant provisions of the Companies Act, 2013.

Other Matters

We did not audit the financial statements of subsidiaries included in the consolidated annual financial results, whose information is as under.

Particulars	Danlaw Technologies Inc. (in \$)	Danlaw Electronics Assembly Limited (in Rs.)
Revenue	4,03,000	39,45,29,447
Profit after Tax	42,204	-2,28,12,189
Total Assets as on 31.03.2020	9,11,291	40,54,23,775

These subsidiaries annual financial statements and other financial information have been audited / reviewed by other auditors whose reports have been furnished to us, and our opinion on the annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

**For CSV& ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 012121S**

**PLACE : HYDERABAD
DATE : 30.06.2020**

**(CA. APPIREDDY.E.)
PARTNER
Membership No.241515**

UDIN: 20241515AAAAAB5454

ANNEXURE –A TO THE CONSOLIDATED AUDITOR’S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of the group as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED** (“the Company”) and its subsidiary company which are incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the group’s internal financial controls system over financial reporting of the company and its subsidiary companies, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE : HYDERABAD

DATE : 30.06.2020

**For CSV & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 012121S**

**(CA. APPIREDDY. E.)
PARTNER**

**Membership No.241515
UDIN: 20241515AAAAAB5454**

DANLAW TECHNOLOGIES INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,00,17,242	11,91,63,768
Capital work-in-progress	3	-	5,99,839
Other intangible assets	4	3,39,44,421	27,49,418
Right-of-use asset	5	3,50,49,074	-
Goodwill	6	24,01,207	24,01,207
Financial assets			
(a) Other financial assets (carried at amortised cost)	7	57,44,484	46,23,800
(b) Loans	12	6,22,475	9,06,014
Deferred tax assets (net)	15	3,54,71,551	2,10,74,239
Other non-current assets	8	42,78,555	44,28,293
Total Non - Current Assets		28,75,29,009	15,59,46,578
Current Assets			
Inventories	9	10,77,83,243	10,16,36,400
Financial assets			
(a) Trade receivables	10	14,02,80,628	15,59,55,598
(b) Cash and cash equivalents	11	5,48,26,698	6,86,88,561
(c) Loans	12	4,72,80,970	4,35,25,282
(d) Other financial assets (carried at amortised cost)	7	10,66,658	11,43,013
Tax assets	15	47,25,087	43,50,836
Other current assets	8	2,45,03,365	3,31,70,261
Total Current assets		38,04,66,649	40,84,69,951
Total Assets		66,79,95,657	56,44,16,529
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	3,70,74,900	3,70,74,900
Other equity	14	18,50,56,374	22,41,91,367
Equity attributable to owners of the Company		22,21,31,274	26,12,66,267
Non-controlling interests	15	4,35,88,127	5,04,31,784
Total Equity		26,57,19,401	31,16,98,051
Non-current liabilities			
Financial Liabilities			
(a) Other financial liabilities	13	4,02,98,962	23,68,512
Leasehold Liabilities	5	1,82,75,130	-
Provisions	14	4,08,81,658	3,73,89,862
Other non-current liabilities	20	26,38,885	28,99,488
Total Non-current liabilities		10,20,94,636	4,26,57,862
Current liabilities			
Financial liabilities			
(a) Trade payables	17	15,22,73,776	15,37,08,869
(b) Other financial liabilities	13	2,91,252	14,69,553
Provisions	14	42,13,863	39,73,385
Current tax liabilities, net	15	1,31,933	8,11,195
Leasehold Liabilities	5	1,47,42,051	-
Other current liabilities	16	12,85,28,745	5,00,97,614
Total Current liabilities		30,01,81,620	21,00,60,616
Total liabilities		40,22,76,255	25,27,18,478
Total Equity and liabilities		66,79,95,657	56,44,16,529
Corporate information and significant accounting policies	1 & 2		
The accompanying notes form an integral part of the financial statements	3-29		

As per our report attached
For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 012121S

(CA.APPIREDDY.E)
Partner
Membership No: 241515

Hyderabad
June 30, 2020

for and on behalf of the Board
SIRISH BATCHU **RAVI KUMAR TAMMA**
Managing Director Director
DIN: 08335245 DIN: 05306747

A V R K VARMA **Gaurav Padmawar**
Chief Financial Officer Company Secretary
Membership No: ACS 44421

DANLAW TECHNOLOGIES INDIA LIMITED
Consolidated Statement of Profit and Loss for the period ended March 31, 2020

Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
INCOME			
Revenue from operations	18	54,84,96,971	54,70,47,823
Other income (net)	19	1,23,15,454	85,37,144
Total income		56,08,12,425	55,55,84,967
EXPENSES			
Cost of materials consumed	21	30,65,50,280	28,60,68,878
Purchases of stock-in-trade		17,73,766	14,06,326
Changes in inventories of finished goods and work-in-progress	22	(96,43,100)	85,45,979
Employee benefits expense	20 & 26	19,42,71,764	17,60,07,906
Finance costs	23	43,70,163	2,06,763
Depreciation and amortisation expense	24	3,20,36,891	1,12,24,301
Other operating expenses	25	9,80,80,840	8,35,35,981
Total expenses		62,74,40,604	56,69,96,134
Profit before tax		(6,66,28,179)	(1,14,11,167)
Tax expense			
Current tax	15	8,91,202	14,45,735
Deferred tax	15	(1,48,82,747)	(81,30,834)
Prior period tax	15	(5,95,154)	43,86,016
Total tax expense		(1,45,86,699)	(22,99,083)
Profit for the year		(5,20,41,480)	(91,12,084)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		18,63,979	(4,94,135)
(b) Income tax relating to items that will not be reclassified to profit or loss		(4,84,635)	1,28,475
B Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		46,83,486	47,61,282
Total other comprehensive income /(Losses)		60,62,830	43,95,622
Total comprehensive income for the year		(4,59,78,650)	(47,16,462)
Profit for the year attributable to:			
- Owners of the Company		(4,53,48,560)	(48,71,322)
- Non controlling interests		(66,92,920)	(42,40,762)
		(5,20,41,480)	(91,12,084)
Other comprehensive income for the year attributable to:			
- Owners of the Company		62,13,567	45,02,700
- Non controlling interests		(1,50,737)	(1,07,078)
		60,62,830	43,95,622
Total comprehensive income for the year attributable to:			
- Owners of the Company		(3,91,34,993)	(3,68,622)
- Non controlling interests		(68,43,657)	(43,47,840)
		(4,59,78,650)	(47,16,462)
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)			
Basic (Rs.)	29	(12.23)	(1.31)
Diluted (Rs.)		(12.23)	(1.31)
Corporate information and significant accounting policies			
The accompanying notes form an integral part of the statements	1 & 2 3-29		

As per our report attached
For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 0121215

(CA.APPIREDDY.E)
Partner
Membership No: 241515

Hyderabad
June 30, 2020

for and on behalf of the Board
SIRISH BATCHU **RAVI KUMAR TAMMA**
Managing Director Director
DIN: 08335245 DIN: 05306747

A V R K VARMA **Gaurav Padmawar**
Chief Financial Officer Company Secretary
Membership No: ACS 44421

DANLAW TECHNOLOGIES INDIA LIMITED
Consolidated Statement of changes in equity for the year ended March 31, 2020

a. Equity

Particulars	Number of Shares	Amount
Balance at March 31, 2018	37,07,490	3,70,74,900
Changes in equity share capital during the year		
Balance at March 31, 2019	37,07,490	3,70,74,900
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	37,07,490	3,70,74,900

Particulars	Attributable to Equity shareholders of Parent Company						
	Reserves and Surplus			Items of OCI	Total other Equity	Non Controlling Interest	Total
	Securities premium reserve	Foreign Currency Translation Reserve	Retained Earnings	Other items of other comprehensive income			
Balance at March 31, 2018	26,51,02,850	49,36,272	(4,59,00,730)	(2,98,778)	22,38,39,614	-	22,38,39,614
Through acquisitions					-	3,92,70,594	3,92,70,594
Exchange difference arising on translating the foreign operation		47,61,282			47,61,282		47,61,282
Remeasurement of net defined benefit liability/asset, net of tax effect (refer note **)				(2,58,582)	(2,58,582)	(1,07,078)	(3,65,660)
Profit for the year			(48,71,322)		(48,71,322)	(42,40,762)	(91,12,084)
Adj / profit on sale on shares in subsidiary			7,20,375		7,20,375		7,20,375
Balance at March 31, 2019	26,51,02,850	96,97,554	(5,00,51,677)	(5,57,360)	22,41,91,367	3,49,22,754	25,91,14,121
Exchange difference arising on translating the foreign operation		46,83,486			46,83,486		46,83,486
Remeasurement of net defined benefit liability/asset, net of tax effect (refer note **)				15,30,081	15,30,081	(1,50,737)	13,79,344
Profit for the year			(4,53,48,560)		(4,53,48,560)	(66,92,920)	(5,20,41,480)
Balance at March 31, 2020	26,51,02,850	1,43,81,040	(9,54,00,237)	9,72,721	18,50,56,374	2,80,79,097	21,31,35,471

As per our report attached
For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 0121215

SIRISH BATCHU
Managing Director
DIN: 08335245

for and on behalf of the Board
RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.APPIREDDY.E)
Partner
Membership No: 241515

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
June 30, 2020

DANLAW TECHNOLOGIES INDIA LIMITED
Consolidated Statement of Cash Flows

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	(6,47,64,200)		(1,19,05,302)	
<u>Adjustments for:</u>				
Depreciation and amortisation expense	1,78,86,541		1,12,24,301	
Operating profit before working capital changes		(4,68,77,659)		(6,81,001)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Trade receivables	1,56,74,970		5,24,65,650	
Other financial assets	(45,16,478)		81,41,430	
Inventories	(61,46,843)		(2,45,68,417)	
Other assets	(2,66,06,691)		(65,24,711)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(14,35,093)		7,02,35,848	
Other financial liabilities	3,67,52,149		(15,08,969)	
Other liabilities	11,04,16,831		2,14,33,941	
Provisions	37,32,274		37,35,895	
Cash generated from operations		8,09,93,460		12,27,29,666
Net income tax paid		(2,95,248)		(58,31,751)
Net cash flow from operating activities (A)		8,06,98,212		11,68,97,915
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(9,93,94,814)		(2,04,95,084)	
Proceeds from sale of fixed assets	1,51,253		35,65,138	
Investment in Research & Development	-		-	
Purchase of long-term investments	-		(12,95,00,000)	
- Carried at fair value through OCI	-		29,00,000	
Cash & cash equivalent on account of Acquisitions	-		-	
Movement in Bank balances not considered as cash and cash equivalents				
Net cash (used in) / flow from investing activities (B)		(9,92,43,561)		(14,13,05,186)
Net (decrease) in Cash and cash equivalents (A+B+C)		(1,85,45,349)		(2,44,07,271)
Cash and cash equivalents at the beginning of the year		6,86,88,561		8,83,34,550
Effect of exchange differences on translation of foreign		46,83,486		47,61,282
Cash and cash equivalents at the end of the year (Refer Note (i) below)		5,48,26,698		6,86,88,561

As per our report attached
For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 0121215

SIRISH BATCHU
Managing Director
DIN: 08335245

for and on behalf of the Board
RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.APPIREDDY.E)
Partner
Membership No: 241515

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
June 30, 2020

DANLAW TECHNOLOGIES INDIA LIMITED

Notes forming part of the Consolidated financial statements

3. Property, plant and equipment and capital work -in-progress

Description of Assets	Freehold land	Buildings	Leasehold improvements	Computers	Plant and equipment
I. Cost or deemed cost					
Balance as at March 31, 2018	-	-	14,84,850	73,04,804	31,61,503
Additions			-	12,31,049	1,37,91,955
Disposals					(2,04,34,222)
Additions through business combination		4,60,71,664			18,64,46,589
Balance as at March 31, 2019	-	4,60,71,664	14,84,850	85,35,853	18,29,65,825
Additions		69,62,463	-	23,06,499	4,89,66,973
Disposals					(1,17,554)
Additions through business combination					
Balance as at March 31, 2020	-	5,30,34,127	14,84,850	1,08,42,352	23,18,15,244
II. Accumulated depreciation					
Balance as at March 31, 2018	-	-	5,47,577	41,15,533	13,10,467
Depreciation expense for the year		15,39,257	49,446	13,84,267	65,47,459
Acquisitions through business combinations		1,87,10,420			10,93,27,256
Eliminated on disposal of assets					(1,69,88,804)
Foreign currency translation adjustments					
Balance as at March 31, 2019	-	2,02,49,677	5,97,023	54,99,800	10,01,96,378
Depreciation expense for the year		19,62,346	49,446	18,88,447	1,11,19,170
Acquisitions through business combinations					
Eliminated on disposal of assets					(69,343)
Balance as at March 31, 2020	-	2,22,12,023	6,46,469	73,88,247	11,12,46,205
III. Carrying Amount					
Carrying Amount	Freehold land	Buildings	Leasehold improvements	Computers	Plant and equipment
Balance as at March 31, 2018	-	-	9,37,273	31,89,271	18,51,036
Additions	-	-	-	12,31,049	1,37,91,955
Disposals	-	-	-	-	(34,45,418)
Acquisitions through business comb	-	2,73,61,244	-	-	7,71,19,333
Depreciation expense	-	(15,39,257)	(49,446)	(13,84,267)	(65,47,459)
Foreign currency translation adjustm	-	-	-	-	-
Balance as at March 31, 2019	-	2,58,21,987	8,87,827	30,36,053	8,27,69,447
Additions	-	69,62,463	-	23,06,499	4,89,66,973
Disposals	-	-	-	-	(48,211)
Acquisitions through business comb	-	-	-	-	-
Depreciation expense	-	(19,62,346)	(49,446)	(18,88,447)	(1,11,19,170)
Balance as at March 31, 2020	-	3,08,22,104	8,38,381	34,54,105	12,05,69,039

3. Capital work-in progress

Particulars	As at	
	March 31, 2020	March 31, 2019
Capital work-in progress	-	5,99,839
	-	5,99,839

4. Other intangible assets

Description of Assets	Computer software	R & D Expenses	Total
I. Cost or deemed cost			
Balance as at March 31, 2018	30,77,700	0	30,77,700
Additions	27,94,784	0	27,94,784
Balance as at March 31, 2019	58,72,484	-	58,72,484
Additions	68,000	3,215,892	3,22,26,992
Balance as at March 31, 2020	59,40,484	3,21,58,992	3,80,99,476
II. Accumulated depreciation and impairment			
Balance as at March 31, 2018	27,09,196	0	27,09,196
Amortisation expense for the year	4,13,870	0	4,13,870
Balance as at March 31, 2019	31,23,066	-	31,23,066
Amortisation expense for the year	10,31,989	0	10,31,989
Balance as at March 31, 2020	41,55,055	-	41,55,055
III. Carrying Amount			
Balance as at March 31, 2018	3,68,504	0	3,68,504
Additions	27,94,784	0	27,94,784
Depreciation expense	4,13,870	0	4,13,870
Balance as at March 31, 2019	27,49,418	-	27,49,418
Additions	68,000	3,21,58,992	3,22,26,992
Depreciation expense	10,31,989	-	10,31,989
Balance as at March 31, 2020	17,85,429	3,21,58,992	3,39,44,421

Research and Development :

Direct expenses incurred on R&D during the year for the development of products are treated as deferred revenue expenditure. The amount shall be amortized against the revenues to be earned over period of time, to be determined at the time of product launch.

5. Leasehold Liabilities

The Company has adopted Ind AS 116 "Leases" with the date of inception of the lease being April 1, 2019 and has discounted lease payments

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.7%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Amount as on 01-04-2019	Additions	Termination during the year	Amortisation	Carrying Value as on 31-03-2020
Leasehold - Land	-	4,93,73,200	-	(1,43,24,126)	3,50,49,074

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	31-Mar-20
Current	1,47,42,051
Non – Current	1,82,75,130
Total	3,30,17,181

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	31-Mar-20
Balance as on 01-04-2019	-
Additions to lease Liabilities	4,93,73,200
Termination during the year	-
Interest Expense	29,76,717
Cash Outflows during the year	(1,93,32,736)
Balance as on 31-03-2020	3,30,17,181

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	1 year	1-3 years	3-5 years	more than 5
Undiscounted Future Cash Outflows	2,24,78,528	6,30,53,601	6,33,45,616	12,33,57,994

arising from:

- Extension options and termination options
- Leases not yet commenced to which lessee is committed

6. Goodwill

Particulars	As at	
	March 31, 2020	March 31, 2019
Goodwill on acquisition of Titan Time Products Ltd (name changed to Danlaw Electronics Assembly Ltd post acquisition)	24,01,207	24,01,207
	24,01,207	24,01,207

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

7. Other financial assets (carried at amortised cost)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Bank Deposits		
Security deposits		
- Secured, considered good		
- Unsecured, considered good	57,44,484	46,23,800
Total non-current other financial	57,44,484	46,23,800
Current		
Interest accrued on deposits	9,06,780	9,83,135
Security deposits	1,59,878	1,59,878
Total current other financial assets	10,66,658	11,43,013
Total other financial assets	68,11,142	57,66,813

8. Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Prepaid expenses	42,78,555	44,28,293
Total non-current assets	42,78,555	44,28,293
Current:		
Prepaid expenses	75,94,305	65,47,723
Balance with government	54,53,329	43,54,940
Advances recoverable in cash or	1,11,01,806	2,22,67,598
Lease Rentals Equalisation	3,53,925	-
Other advances		
- Secured, considered good		
- Unsecured, considered good		
- Doubtful		
Less: Allowance for bad and doubtful loans		
Total current assets	2,45,03,365	3,31,70,261
Total other assets	2,87,81,920	3,75,98,554

9. Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Inventories (lower of cost and net realisable value)		
Raw materials	8,16,96,991	9,44,17,641
Work-in-progress	13,43,235	14,31,253
Tools	15,89,941	-
Semi-Finished goods	1,10,42,704	-
Finished goods	1,21,10,372	57,87,506
Total	10,77,83,243	10,16,36,400

10. Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables - Current		
Unsecured, considered good	14,04,29,021	15,62,02,857
Doubtful		
Less: Allowance for doubtful	1,48,393	2,47,259
Total	14,02,80,628	15,59,55,598

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

Note - 11: Cash and Bank Balances

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balances with Banks		
in current accounts	4,49,02,269	3,59,34,593
in deposit accounts	98,99,911	3,27,19,976
Cash on hand	24,518	33,992
Total Cash and cash equivalents	5,48,26,698	6,86,88,561
Cash and cash equivalents as per Statement of Cash flows	5,48,26,698	6,86,88,561

12. Loans

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Non - Current		
Loans to related parties		
- Unsecured, considered good	-	-
Loans to employees	6,22,475	9,06,014
Total Non current Loans	6,22,475	9,06,014
Current		
Loans to employees		
- Unsecured, considered good	5,37,738	7,32,416
- Loan to associates	4,67,43,232	4,27,92,866
Total current loans	4,72,80,970	4,35,25,282
Total	4,79,03,445	4,44,31,296

13. Equity share capital

Particulars	As at March 31	As at March 31
	2020	2019
Authorised share capital:		
5000000 fully paid up equity shares	5,00,00,000	5,00,00,000
Issued and subscribed capital:		
Issued Equity Share capital	3,70,74,900	3,70,74,900
Total	3,70,74,900	3,70,74,900

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at March 31, 2018	37,07,490	3,70,74,900
Buyback of shares	-	-
Balance at March 31, 2019	37,07,490	3,70,74,900
Buyback of shares	-	-
Balance at March 31, 2020	37,07,490	3,70,74,900

(B) Details of shares held by each shareholder holding more than 5% shares

	As at March 31		As at March 31	
	2020		2019	
	Number of shares	% holding of	Number of	% holding of
Fully paid equity shares				
Danlaw Systems India Limited	14,61,592	39.29%	14,61,592	39.29%

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

14.1. Other equity excluding non-controlling interests

Particulars	As at March 31	As at March 31
	2020	2019
General reserve		-
Securities premium account	26,51,02,850	26,51,02,850
Foreign currency translation reserve	1,43,81,040	96,97,554
Retained earnings	(9,44,27,516)	(5,06,09,037)
Balance at end of year	18,50,56,374	22,41,91,367

14.2 Securities premium reserve			
Balance at beginning of year		26,51,02,850	26,51,02,850
Used for Buyback of shares			,,0
Balance at end of year		26,51,02,850	26,51,02,850

14.3 Foreign currency translation reserve			
		As at March 31, 2020	As at March 31, 2019
Balance at beginning of year		96,97,554	49,36,272
Exchange difference arising on translating the foreign operations		46,83,486	47,61,282
Balance at end of year		1,43,81,040	96,97,554

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.47,61,282) are recognised directly in other

14.4 Retained earnings		
	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	(5,06,09,037)	(4,61,99,508)
Profit attributable to owners of the Co	(4,53,48,560)	(48,71,322)
Remeasurements of the defined	15,30,081	(2,58,582)
Adj/Profit on sale of shares in subsidiary	-	7,20,375
Balance at end of year	(9,44,27,516)	(5,06,09,037)

15. Other financial liabilities

Particulars	As at March 31,	As at March 31,
	2020	2019
Non - Current		
Retention monies		
Loan from related party - ECB	37692950	
Security deposits	26,06,012	23,68,512
Total	4,02,98,962	23,68,512
Current		
(i) Others	2,91,252	14,69,553
Total	2,91,252	14,69,553

14. Provisions

Particulars	As at March 31,	As at March 31,
	2020	2019
Provisions		
Employee benefits	42,13,863	39,73,385
Current	42,13,863	39,73,385
Non - Current	4,08,81,658	3,73,89,862
Total	4,50,95,521	4,13,63,247

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

15. Income taxes

15.1 Deferred tax balance

Particulars	As at March 31,	
	2020	2019
Deferred tax assets	4,86,20,406	2,96,61,161
Deferred tax liabilities	1,31,48,855	85,86,922
Total	3,54,71,551	2,10,74,239

	Opening Balance	Recognised in profit or loss	Closing balance
2019-20			
Deferred tax (liabilities)/assets in relation to			
Cost & Estimated Earnings in Excess of Billings			
Depreciation & Amortization	(85,86,922)	(45,61,933)	(1,31,48,855)
Employee benefit expense OCI	(38,329)	(6,10,042)	(6,48,371)
MAT Credit	71,65,505	(800)	71,64,705
Others	2,25,33,985	1,95,64,674	4,20,98,659
Total	2,10,74,239	1,43,91,899	3,54,66,138

15.2. Tax assets and liabilities

Particulars	As at March 31,	
	2020	2019
Tax assets		
Current tax assets	47,25,087	43,50,836
Current tax liabilities		
Income tax payable	1,31,933	8,11,195
Total Current tax liabilities	1,31,933	8,11,195

15.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
In respect of the current year	8,91,202	14,45,735
In respect of prior years	(5,95,154)	43,86,016
	2,96,048	58,31,751
Deferred tax		
In respect of the current year	(1,48,82,747)	(81,30,834)
	(1,48,82,747)	(81,30,834)

b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax		
In respect of the current year	4,84,635	(1,28,475)
	4,84,635	(1,28,475)

The Income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing operations	(6,47,64,200)	(1,19,05,302)
Income tax expense calculated	8,91,202	14,45,735
Depreciation adjustment	(1,09,36,666)	(56,45,600)
Expenses (disallowed) / allowed under Income Tax Act	(83,39,979)	(1,32,66,581)
Set off of losses	-	-
Taxable Income	(8,40,40,845)	(3,08,17,483)
Tax Rate		

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

16. Other liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Revenue received in advance	26,38,885	28,99,488
Total	26,38,885	28,99,488
Current		
Advance from customers	12,30,47,069	4,61,69,445
Statutory remittances	37,09,090	32,19,284
Others	17,72,586	7,08,885
Total	12,85,28,745	5,00,97,614

17. Trade Payables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade Payables - Current		
Dues to micro enterprises and small	50,08,329	22,54,736
Dues to creditors other than micro	14,72,65,447	15,14,54,133
Total	15,22,73,776	15,37,08,869

18. Revenue from operations

Particulars	For the year ended	For the year
	March 31, 2020	ended March 31, 2019
Sale of services	8,43,04,557	10,65,05,121
Sale of products	46,41,92,414	44,05,42,702
Total	54,84,96,971	54,70,47,823

19. Other income (net)

Particulars	For the year ended	For the year
	March 31, 2020	ended March 31, 2019
Interest income on financial assets carried at amortised cost		
Bank deposits	10,21,259	33,59,825
Interest on Income Tax	4,08,006	-
Others Ind AS adjustments	7,08,913	1,30,043
	21,38,178	34,89,868
Other non-operating income		
Lease Rentals	94,38,000	15,73,000
Lease Rentals - Ind AS	3,53,925	-
Miscellaneous income (net)	3,85,351	1,44,198
	1,01,77,276	17,17,198
Other gains and losses		
Net foreign exchange gain	-	33,30,078
Gain on disposal of property, plant and equipment	-	-
	-	33,30,078
Total	1,23,15,454	85,37,144

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

20. Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus	16,12,52,608	14,98,74,267
Contribution to provident and other funds	1,81,30,296	1,37,91,823
Staff welfare expenses	1,48,88,860	1,23,41,816
Total	19,42,71,764	17,60,07,906

21. Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Opening stock	9,43,85,392	1,61,96,720
(b) Add: Purchases	29,38,61,879	36,42,57,550
(c) Less: Closing stock	8,16,96,991	9,43,85,392
	30,65,50,280	28,60,68,878

22. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock:		
Finished goods	72,18,759	1,57,64,738
Work-in-progress	-	-
	72,18,759	1,57,64,738
Closing Stock:		
Finished goods	1,68,61,859	72,18,759
Work-in-progress	-	-
	1,68,61,859	72,18,759
Net (increase) / decrease	(96,43,100)	85,45,979

23. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Interest security deposit Ind AS	24,12,622	37,677
- Other interest expense	19,57,541	1,69,086
Total	43,70,163	2,06,763

24. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	1,68,54,554	1,09,02,767
Amortisation of intangible assets	1,51,82,337	3,21,534
Total	3,20,36,891	1,12,24,301

DANLAW TECHNOLOGIES INDIA LIMITED
Notes forming part of the Consolidated financial statements

25. Other operating expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent including lease rentals (Refer Rates and taxes)	80,62,515	98,77,777
Insurance	12,56,133	15,36,083
Stores and spares consumed	5,37,768	4,79,999
Freight Outwards	79,61,915	93,39,967
Travelling and conveyance	4,41,002	14,88,062
Sub-contracting charges	1,04,33,376	94,31,035
Communication	33,20,738	21,72,037
Printing and stationery	11,23,007	9,75,275
Power and fuel	8,31,884	8,04,259
Selling and Distribution expenses	89,78,885	66,35,766
Repairs and maintenance	1,83,00,131	1,30,15,212
- Buildings	27,09,817	22,07,514
- Machinery	44,02,795	49,33,446
- Security	45,75,827	35,15,674
- House Keeping	37,38,918	15,57,425
- Vehicles	4,57,961	4,08,190
- Office Maintenance	27,02,311	18,11,431
Directors Remuneration		
- Directors sitting fees	4,60,000	3,80,000
Trade receivables written off (net)	20,282	15,82,569
Less: Reversal of provision for doubtful debts	-	-
Auditors' remuneration (Refer Note)	12,23,250	11,02,492
Recruitment expenses	8,02,937	4,50,776
Foreign exchange loss	39,09,433	3,43,435
Depository Registrar Fee	2,58,663	2,41,240
Listing Fee	3,00,000	2,30,000
Registration/Licences/Filing fee	41,33,266	24,82,670
Professional Fee	52,31,350	43,04,571
Donations	-	25,000
Bank charges	11,93,235	18,11,230
Miscellaneous expenses	7,13,441	3,92,846
Total	9,80,80,840	8,35,35,981

i) Auditors' remuneration (net of service tax) comprises of:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Company		
For statutory audit	2,20,000	2,00,000
For other services	4,02,470	3,21,191
Reimbursement of expenses	6,000	6,200
Subsidiaries		
For statutory audit	5,94,780	5,75,101
Total Auditors' remuneration	12,23,250	11,02,492

26. Managerial Remuneration

The following managerial remuneration was paid as per board of director's decision and approved by shareholders.		
Salary	18,00,000	18,00,000
Contribution to PF	2,16,000	2,16,000
Medical	4,353	16,008
Total	20,20,353	20,32,008

27. Contingent Liabilities:

Bank Guarantees	26,54,161	26,64,169
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28. Related party disclosures

Related Party Transaction	Relation	Transactions for the year ended		Balance as at March 31	
		2020	2019	2020	2019
Sales & Services					
Danlaw Inc	Associate	6,49,23,704	10,13,24,033	(9,31,43,949)	(59,58,108)
Danlaw Electronics Assembly Ltd	Subsidiary	2,67,500	-	-	-
Purchases					
Danlaw Inc	Associate	-	1,08,70,109	84,29,255	1,06,82,146
Danlaw Electronics Assembly Ltd	Subsidiary	1,29,76,798	37,03,541	-	19,27,570
Remuneration					
Raju S Dandu	KMP	20,20,353	20,32,008	-	-
Lease Rentals					
D Lakshmi	Relative of KMP -	34,52,904	32,88,480	3,18,341	-
DSN Raju	Relative of KMP -	34,52,904	32,88,480	3,18,341	-
Loans					
Danlaw Inc	Associate	6,10,806	6,57,578	4,67,43,232	4,27,92,866
Borrowal - ECB					
Danlaw Inc	Subsidiary	11,42,412	-	3,76,92,950	-

The Transactions with related parties have been carried at arm's length price and also supported by the documentation reflecting

29. Earnings per share

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit after tax	(4,53,48,560)	(48,71,322)
Basic:		
Number of shares outstanding at	37,07,490	37,07,490
Earnings per share (₹)	(12.23)	(1.31)
Diluted:		
Effect of potential equity shares on		
Weighted average number of	37,07,490	37,07,490
Earnings per share (₹)	(12.23)	(1.31)

Note: EPS is calculated based on profits excluding the other comprehensive income

Financial Instruments

Financial instruments by category

The carrying value and fair value of financial instruments carried at amortised cost

Particulars	Level	Carrying Value as at March 31,		Fair Value as at March 31,	
		2020	2019	2020	2019
Assets:					
Non-Current					
Other Financial Assets	3	57,44,484	46,23,800	57,44,484	46,23,800
Current					
Trade receivables	3	14,02,80,628	15,59,55,598	14,02,80,628	15,59,55,598
Cash and cash equivalents	3	5,48,26,698	6,86,88,561	5,48,26,698	6,86,88,561
Other financial assets	3	10,66,658	11,43,013	10,66,658	11,43,013
Total		20,19,18,468	23,04,10,972	20,19,18,468	23,04,10,972
Liabilities:					
Current					
Trade payables	3	15,22,73,776	15,37,08,869	15,22,73,776	15,37,08,869
Total	3	15,22,73,776	15,37,08,869	15,22,73,776	15,37,08,869

There are no financial instruments of the company that are subsequently measured at fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values of the current financial assets and current financial liabilities are taken as fair values because of their short term nature. The fair of non current financial assets is determined by using the discounted cash flow method by the management.

1. Corporate information:

The Company is in the business of providing engineering and software development consulting services, Industrial electronics. Danlaw Technologies, Inc. (DTI) is a wholly owned subsidiary of Danlaw Technologies India, Ltd (DTIL)., a foreign corporation. DTI was incorporated in USA in September 2001 to market engineering and information technology services to customers in the United States of America. Danlaw Electronics Assembly Ltd (DEAL), Goa is the subsidiary of DTIL which was acquired in June 2018 to avail the production facility of electronics.

2. Significant accounting policies

a. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note XX for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- ▶ Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- ▶ Plan Assets of defined benefit obligations.

The financial statements are presented in INR and all values are rounded to the nearest Rupees (INR), except when otherwise indicated.

b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Business combinations and goodwill

Business combinations other than business combinations under common control are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- ▶ Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- ▶ Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- ▶ Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- ▶ Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in

OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

d. Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Adjustments are made for any variation in the sales realizations / purchase payments on conversion into Indian currency upon actual receipt / payment.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

e. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
 - ▶ In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Quantitative disclosures of fair value measurement hierarchy (note xx)
- ▶ Financial instruments (including those carried at amortised cost) (note xx)

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

ii) Rendering of services

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Revenue from user charges towards waste disposal is recognised as and when the related services are performed i.e. when the waste is collected, transported and is received at the dumping yards.

Revenue from consultancy and maintenance contracts is recognised as and when the related services are performed.

iii) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

iv) Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

g. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

h. Taxes

i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternative tax : Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

iii) Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

▶ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note xx and xx

regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- ▶ Building 30 years
- ▶ Computers 3 years
- ▶ Computer servers 6 years
- ▶ Lab and electrical equipment 10 years
- ▶ Office equipment 5 years
- ▶ Furniture & Fixtures 10 years
- ▶ Vehicles 8 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	3 years	SLM	No

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

i) Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note xx).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increment is in line with the inflation rate.

m. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

▶ Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

▶ Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Goodwill is tested for impairment annually as at each reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is

less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

p. Provisions

i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q. Employee benefits

i) Short-term employee benefit obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post employment benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

iv) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

r. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

t. Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note xx)

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

u. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note XX.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

Equity investments in Subsidiaries, Associates and joint ventures are measured at cost as per Ind AS 27.

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note XX.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivatives that are not designated as hedges

The company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses)

3. **Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note xx
- Estimated useful life of intangible asset – Note xx
- Estimation of defined benefit obligation – Note xx

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.